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# ***Daily Report—***

## **East Asia**

FBIS-EAS-93-137  
Tuesday  
20 July 1993

# Daily Report

## East Asia

FBIS-EAS-93-137

### CONTENTS

20 July 1993

**NOTICE TO READERS:** An \* indicates material not disseminated in electronic form.

#### INTER-ASIAN AFFAIRS

ASEAN Businessmen Urged To Support Free Trade	<i>[Singapore BUSINESS TIMES 16 Jul]</i>	1
Discuss Dumping in AFTA Market	<i>[Singapore BUSINESS TIMES 19 Jul]</i>	1
China Said Setting Up Airbase Near Spratlys	<i>[Quezon City TV]</i>	2
Indonesia Concerned APEC Summit Could Upset PRC	<i>[Singapore THE BUSINESS TIMES 19 Jul]</i>	2
ASEAN Officials Discuss East Asia Trade Group	<i>[Kuala Lumpur BERNAMA]</i>	3
Against Upgrading APEC Proposal	<i>[Bangkok BANGKOK POST 17 Jul]</i>	3
Discuss Cambodia, Spratlys Issues	<i>[Bangkok BANGKOK POST 20 Jul]</i>	3
Consider Extending Peace Treaty	<i>[Singapore THE STRAITS TIMES 20 Jul]</i>	4
Tripartite Meeting on 'Growth Triangle' Opens	<i>[Kuala Lumpur BERNAMA]</i>	5

#### NORTHEAST ASIA

##### Japan

MITI on Fall in Trade Surplus With U.S.	<i>[KYODO]</i>	7
Okuda: Trade Surplus Cut 'Most Urgent Task'	<i>[KYODO]</i>	7
U.S. Economist Urges More Global Commitment	<i>[KYODO]</i>	7
Owada's Role in Trade Talks With U.S. Viewed	<i>[KYODO]</i>	7
'Soaring' Yen Hits Export-Oriented Districts	<i>[KYODO]</i>	8
Hanabusa: No Knowledge of Escobar Kin Arrival	<i>[KYODO]</i>	8
Tokyo To Support 'Indefinite Extension' of NPT	<i>[KYODO]</i>	8
Pyongyang's Readiness for IAEA Talks Hailed	<i>[KYODO]</i>	9
Ministers Attack Ban on Cabinet Visits to Taiwan	<i>[KYODO]</i>	9
Bid To Buy C-17 Air Truck From U.S. 'Blocked'	<i>[KYODO]</i>	9
Farm Lobby Studies Coping With Rice Imports	<i>[KYODO]</i>	10
Political Shift's Effect on Rice Prices Feared	<i>[KYODO]</i>	10
Hanabusa on Russian Reports Regarding G-7	<i>[KYODO]</i>	11
Business Groups Discuss Political Donations	<i>[KYODO]</i>	11
Table Lists Strength of Parties in Both Houses	<i>[KYODO]</i>	11
Politicians Facing 'Variety' of Scenarios	<i>[KYODO]</i>	12
Young LDP Legislators Demand Miyazawa's Ouster	<i>[KYODO]</i>	12
Posts Minister Koizumi Offers To Step Down	<i>[KYODO]</i>	13
Urges Miyazawa To Follow Suit	<i>[KYODO]</i>	13
Editorials Urge LDP To Hand Over Power	<i>[KYODO]</i>	14
Miyazawa 'Ready To Resign To Take the Blame'	<i>[KYODO]</i>	14
SDP To Pursue Non-LDP Coalition Government	<i>[KYODO]</i>	15
Kanemaru To Stand Trial Amid 'Turbulences'	<i>[KYODO]</i>	15
Ibaraki Mayor Arrested for Taking Bribes	<i>[KYODO]</i>	16
Construction Minister Denies Involvement	<i>[KYODO]</i>	16
Government Employees' Wage-Hike Freeze Planned	<i>[KYODO]</i>	16
Political Turmoil 'Darkening' Economic Future	<i>[KYODO]</i>	17
Business Hopes for Early Start to New Government	<i>[KYODO]</i>	17
Agency Says Economy Showing Signs of Recovery	<i>[KYODO]</i>	17
MITI's Mori: Economy 'Continues To Falter'	<i>[KYODO]</i>	18
Finance Minister Again Rules Out Income Tax Cut	<i>[KYODO]</i>	18
Panel Agrees To Start Talks on Income Tax Cuts	<i>[KYODO]</i>	18
Kato Rules Out Immediate Need for Cut	<i>[KYODO]</i>	18
46.5 Percent of FY 93 Works Contracts Awarded	<i>[KYODO]</i>	19
Department Stores Record 'Dismal' Summer Sales	<i>[KYODO]</i>	19

**North Korea**

Reportage on Talks With U.S. on Nuclear Issue .....	19
Talks Expected To Resume <i>[Seoul YONHAP]</i> .....	19
Joint Press Statement Released <i>[KCNA]</i> .....	20
Kang Sok-chu Speaks to Media <i>[KCNA]</i> .....	20
Article Praises Kim Chong-il Military Leadership <i>[KCNA]</i> .....	21
O Chin-u Article Marks War Anniversary <i>[Pyongyang Radio]</i> .....	22
KCNA Reviews Pyongyang Press for 20 Jul .....	29

**South Korea**

Reportage on U.S.-DPRK Talks Continues .....	30
18 Jul Prospects Said 'Murky' <i>[YONHAP]</i> .....	30
Seoul's Reaction to 'Talks Viewed <i>[CHUNGANG ILBO 17 Jul]</i> .....	30
Seoul Welcomes Talks Results <i>[YONHAP]</i> .....	31
'Progress' of Talks Analyzed <i>[YONHAP]</i> .....	31
U.S. State Department Statement Noted <i>[YONHAP]</i> .....	32
U.S.-DPRK Talks Results Detailed <i>[YONHAP]</i> .....	33
'Agreement' Reached on Yongbyon <i>[Seoul Radio]</i> .....	33
DPRK Agrees To Resolve 'Special Inspection' <i>[Seoul Radio]</i> .....	34
DPRK Gives Accord 'Preconditions' <i>[Seoul TV]</i> .....	34
Light-Water Reactor Plan Said Kim Il-song's Idea <i>[YONHAP]</i> .....	34
DPRK 'Expected' To Hold Talks With IAEA <i>[YONHAP]</i> .....	35
Prime Minister To Chair Session on DPRK <i>[Seoul Radio]</i> .....	35
Daily Views U.S. President's New Asian Policy <i>[TONG-A ILBO 17 Jul]</i> .....	35
BAI Urges Collection of Rent From U.S. Embassy <i>[YONHAP]</i> .....	37
BAI Urges Speed in Obtaining U.S. KFP Data <i>[YONHAP]</i> .....	37
Seoul To Ban Labor Activities at Hyundai Motor <i>[YONHAP]</i> .....	37
Economic Planning Minister Urges R&D Increase <i>[YONHAP]</i> .....	38

**SOUTHEAST ASIA**

**Burma**

Public Service Delegates Hold Talks on Constitution <i>[Rangoon Radio]</i> .....	39
Immigration Officer Killed in Kulon Shoot-out <i>[Rangoon Radio]</i> .....	39
2 Rebels Return to 'Legal Fold' at Bangkok Embassy <i>[Rangoon Radio]</i> .....	39

**Brunei, Malaysia & Singapore**

**Malaysia**

Russian Foreign Minister To Visit 22 Jul <i>[BERNAMA]</i> .....	39
Minister on Lifting of Sanctions on South Africa <i>[BERNAMA]</i> .....	40
Offers Help With Polls <i>[Kuala Lumpur International]</i> .....	40

**Cambodia**

Prince Sihanouk Attacks U.S. 'Threats' <i>[AFP]</i> .....	40
U.S. Using Khmer Rouge To Curb PRC Influence <i>[PROETTEBAT PRACHAM SAPPADA SANTEPHEAP 8 Jul]</i> .....	40
Finance Minister on Economy, Budget Deficit <i>[Phnom Penh Radio]</i> .....	41
Commentary Condemns Opposition to DK Proposal <i>[Radio VGNUFC]</i> .....	42
Sihanouk Appoints Ex-Aide as Top Military Adviser <i>[Phnom Penh Radio]</i> .....	43

**Indonesia**

Commentary Urges Studying Clinton APEC Proposal <i>[Jakarta Radio]</i> .....	43
Japanese Envoy Explains G-7 Role in Pacific <i>[ANTARA]</i> .....	43
Diplomatic Relations Established With Lithuania <i>[ANTARA]</i> .....	44

Zimbabwean Minister on Promoting Economic Cooperation <i>[Jakarta Radio]</i> .....	44
Paper Discusses Australian Military Cooperation <i>[THE JAKARTA POST 17 Jul]</i> .....	44
Foreign Minister Meets Kuwaiti Deputy Premier <i>[Jakarta Radio]</i> .....	45

## Laos

SRV Foreign Minister Ends Visit, Departs 18 Jul <i>[Vientiane Radio]</i> .....	45
Foreign Minister, Delegation Leave for Singapore <i>[Vientiane Radio]</i> .....	45
Minister Interviewed on Investment, Regional Ties <i>[Singapore BUSINESS TIMES 16 Jul]</i> .....	45

## Philippines

Ramos on Japan Polls, Extradition Treaty With U.S. <i>[Manila Radio]</i> .....	47
Japan Provides P700 Million Aid Package <i>[Quezon City TV]</i> .....	47
Breakaway Group Blames Central Committee for CPP Losses <i>[Quezon City TV]</i> .....	47
Split 'Major Obstacle' to Talks <i>[Quezon City TV]</i> .....	48
MRRC Challenges Incumbent Leadership <i>[Manila Radio]</i> .....	49

## Thailand

Editorial Urges U.S. To Normalize Hanoi Ties <i>[THE NATION 17 Jul]</i> .....	49
Officials Discuss Cambodia, Burma Policies <i>[Bangkok TV]</i> .....	50
UN Commander Dismisses Fears of Cambodian Civil War <i>[BANGKOK POST 20 Jul]</i> .....	51
Ministers Meet on Cambodian Logging Contracts, Burma <i>[BANGKOK POST 20 Jul]</i> .....	51
Army Commander To Visit Russia for Helicopter Inspection <i>[BANGKOK POST 18 Jul]</i> .....	51
Two Camps for Laotian Refugees To Close <i>[BANGKOK POST 17 Jul]</i> .....	52
Cooperation Agreement With Laos Signed <i>[BANGKOK POST 17 Jul]</i> .....	53
Deputy Foreign Minister Receives Lao Delegation <i>[Bangkok Radio]</i> .....	53
Military Warns of 'Untoward Incidents' on Burmese Border <i>[BANGKOK POST 17 Jul]</i> .....	53
Minister: Rangoon Wants Joint Exploitation of Forests <i>[BANGKOK POST 19 Jul]</i> .....	54
Trade Delegation Visits PRC, Mongolia 17-24 Jul <i>[XING XIAN RIBAO 19 Jul]</i> .....	54
Politicians Implicated in Saudi Jewel Theft <i>[BANGKOK POST 18 Jul]</i> .....	54
Interior Minister Moves To End Labor Dispute <i>[Bangkok Radio]</i> .....	55
Blockade Ends as Minister Agrees to Workers' Demands <i>[BANGKOK POST 18 Jul]</i> .....	55
Firm Asks Diplomats for Help in Satellite Dispute <i>[BANGKOK POST 20 Jul]</i> .....	56

## Vietnam

Commentary Views Relations With United States <i>[Hanoi International]</i> .....	57
Deputy Foreign Minister Visits Egypt 14-16 Jul <i>[VNA]</i> .....	57
Meets 'Arafat, Tunisian Official 16 Jul <i>[VNA]</i> .....	57
EC Communique Announces Cooperation, Trade Agreement <i>[Hanoi International]</i> .....	58
Phan Van Khai Receives Indian Economic Delegation <i>[Hanoi TV]</i> .....	58
Tourism Delegation Returns From PRC Visit <i>[VNA]</i> .....	58
Vo Van Kiet Receives Australian Businessmen <i>[VNA]</i> .....	58
Agencies Take Action Against Corrupt Officials <i>[Hanoi Radio]</i> .....	58
Conference Reviews Problem of Hunger, Poverty <i>[Hanoi Radio]</i> .....	59

## AUSTRALASIA

### Australia

Minister To Attend Proposed APEC Seattle Meeting <i>[Melbourne International]</i> .....	60
Evans Demands Release of Burmese Political Prisoners <i>[Melbourne International]</i> .....	60
Minister Devising Plan To Improve UN PKO's <i>[AFP]</i> .....	60
New Survey Discovers 'Life' in Jul Economy <i>[AFP]</i> .....	61

### Papua New Guinea

Prime Minister on Bougainville Island Rebels <i>[Melbourne International]</i> .....	61
Opposition Leader Dies From Malaria Complications <i>[AFP]</i> .....	61

**ASEAN Businessmen Urged To Support Free Trade**

*BK1907025793 Singapore BUSINESS TIMES in English 16 Jul 93 p 3*

[Text] SINGAPORE—ASEAN businessmen who have a stake in free trade should speak up against protectionism, Trade and Industry Minister S Dhanabalan said yesterday.

This should help to get the ASEAN Free Trade Area [AFTA] moving fast and build up a stronger ASEAN to fight off the growing threat of a fortress Europe and a fortress North America, he said at the opening of the ASEAN Chambers of Commerce and Industry Council [ASEAN—CCI] meeting.

Noting the slow progress AFTA was making, the minister said: "In the nature of things, the less competitive businesses which want protection are more vociferous and put more pressure on their governments than businesses which are competitive and would like to see other markets open to them.

"This second group must make its voice heard and not allow short-sighted businesses which want protected local markets to have the final say on trade and investment policies."

Mr Dhanabalan said that since governments took into account the views of the private sector, businessmen who gained from an open economy must speak up against protectionism. The message to the general public and the business community will also be better driven home by the private sector than the government.

ASEAN businessmen should also work with Western businessmen who had a similar interest in free trade to keep the fortress mentality at bay, he said.

It must be made clear that the Asia-Pacific region, the fastest growing region in the world, could react to Western protectionism by cutting off Europe and America from this part of the world.

"The message is clear: global interests will only be preserved with the dismantling of trade barriers, not the erecting of new ones," Mr Dhanabalan said.

Free trade groupings would not get in the way of trade growth if they were not aimed at shutting out imports from outside the group, the minister said. But because of high unemployment and hard times in the West, pressures were building up in favour of a fortress Europe and a fortress North America, he warned.

Boon Yoon Chiang, a vicepresident of ASEAN-CCI, said AFTA's goal was not just to promote intra-ASEAN trade, but also to get investors to take advantage of the comparative strengths of ASEAN states to produce goods and services for the world at large.

Chokchai Aksaranan president of the ASEAN-CCI, said the slow progress made in AFTA could cause ASEAN to "lose its place as a growth centre of the world".

ASEAN-CCI would set up a permanent secretariat to step up cooperation between ASEAN private sectors and governments to promote growth, he said. The permanent secretariat could be set up in Thailand if a move to get government funding there succeeded, Dr Chokchai later told reporters. A last resort is to take up an offer by the ASEAN secretariat to set it up in Jakarta.

**Discuss Dumping in AFTA Market**

*BK1907031193 Singapore BUSINESS TIMES in English 19 Jul 93 p 3*

[Text] SINGAPORE—Malaysian manufacturers fear that Singapore and Brunei will serve as dumping points for non-ASEAN products to enter the proposed ASEAN Free Trade Area [Afta] at preferential tariff rates.

Some products, especially bulk cargo such as cement, from a third non-ASEAN country could travel a circuitous route via Singapore or Brunei because of their free port status, they said yesterday at a meeting of the ASEAN Chambers of Commerce and Industry [CCI]. The goods could be re-labelled as originating from either of the two countries to gain access to other ASEAN states.

As a result, ASEAN manufacturers would face "unfair competition and forced depression of prices", they said.

The Malaysians noted that Singapore was already a market where "everybody dumps their products". It also serves as an entrepot to the ASEAN hinterland, notably Malaysia and Indonesia.

"Reduction in tariffs under the CEPT (Common Effective Preferential Tariff scheme) could result in a deluge of dumped goods from these ports," they added.

To avoid such circumvention of rules of origin and local content, they proposed the following:

- Apply preferential tariff rates only to direct trade between ASEAN countries. Goods can continue to be shipped from Singapore or Brunei, but not be repackaged or reinvited for export to other ASEAN states.
- Conduct free trade on a six-minus-two basis that excludes Singapore and Brunei.
- Persuade Singapore and Brunei to list the types of industries they have, and restrict the benefits of the free-trade agreement to these.
- Set up an independent commission to track the valuation of goods in ASEAN so as to check dumping.

The Malaysians also asked that non-tariff barriers be removed at the same time as tariff cuts to ensure a level playing field.

The Thai and Filipino private sectors were more keen to set up assistance schemes to help inefficient industries hit by Afta, they said. But while the Thais had in mind national schemes, the Filipinos were thinking of "regional development programmes".

Commenting on the meeting yesterday, George Abraham, director of the ASEAN-CCI study group, said: "This is the first time that the ASEAN private sector has a forum on Afta and it brought to surface some of the perceived problems and difficulties anticipated in the implementation of Afta."

He added that ASEAN-CCI would follow up with dialogues of ASEAN industries on a sector by sector basis, which could include multinational corporations operating in the region.

### China Said Setting Up Airbase Near Spratlys

*HK1607140693 Quezon City ABC-DWET Television in Tagalog 1000 GMT 16 Jul 93*

[From "ABC-DWET News Program"]

[Text] The Association of Southeast Asian Nations, to which we belong, wants to find out China's reasons for putting up an air base near the Spratly islands.

According to a book published by the Chinese Public Security Ministry, China has also sent more than 20 jet fighters and five military transport planes to the Paracel Island, which is 600 kilometers from the Spratlys.

It can be recalled that the Spratly islands are being claimed by Malaysia, Vietnam, Taiwan, Brunei, China, and the Philippines. The islands are in the shipping lane between the Indian and Pacific oceans.

It is also believed that the Spratlys have oil deposits.

### Indonesia Concerned APEC Summit Could Upset PRC

*BK2007033293 Singapore BUSINESS TIMES in English 19 Jul 93 p 1*

[Text] US President Bill Clinton's proposal to hold an Asia-Pacific summit in Seattle later this year took a knock yesterday after Indonesia raised concerns that the meeting could upset China.

Malaysian Premier Mahathir Mohamed told reporters that Indonesian President Suharto had voiced concerns that the proposed meeting of the 15-member Asian Pacific Economic Cooperation forum (Apec), may not be acceptable to China since it will include Taiwan as a participant.

"He (Suharto) is concerned what would China say if Taiwan is included." Dr Mahathir told reporters at the end of three days of talks with the Indonesian leader here.

The China issue has been ranked as the biggest obstacle to convening the meeting because of Beijing's refusal to recognise Taiwan and Hongkong, which are also members of Apec, as sovereign states.

But Mr Suharto's concern over upsetting China has cast a pall over the proposed November meeting, which will be the first to bring together such a large number of Asia-Pacific leaders including those from the US, Canada, Australia, New Zealand and Japan.

As the largest of the six-member ASEAN, Indonesia is often viewed as its most influential member. Diplomats say that Indonesia's attendance would help secure the participation of other members.

Dr Mahathir reiterated that he will not attend the summit. "It is something I have already decided. I am not going to Seattle," he said.

Diplomats believe that Dr Mahathir's decision to boycott the meeting could create some uneasiness among ASEAN.

When asked whether he would like to see a common stand in ASEAN over the proposed Apec summit, Dr Mahathir said: "We don't always do exactly the same things. Sometimes nearly the same things. On this issue we have made a public stand and we are holding to that stand."

No fan of Apec, Dr Mahathir has been actively promoting the establishment of the East Asian Economic Caucus a grouping which would exclude countries like the US, Canada, Australia and New Zealand.

Though ASEAN has agreed in principle over the establishment of the EAEC, several countries have been cool to the plan. Much of the problem, say Malaysian officials, stems from disagreements over the right formula for the establishment of the loose grouping.

Diplomatic sources say two main formulas have been worked out by ASEAN officials, who are hoping that the Malaysian and Indonesian leaders could decide on one of them. This would pave the way for a full endorsement of the EAEC by ASEAN foreign ministers when they meet in Singapore next week.

But Dr Mahathir indicated that no agreement was reached over the matter. "A paper has been prepared and the foreign ministers will discuss the pros and cons of the proposal next week," he said.

The first proposal, said to be more amenable to Dr Mahathir, calls for the EAEC to be constituted as a forum tied to the annual ASEAN economic ministers' meeting.

The other calls for the EAEC to be made into a subgroup or Asian caucus for the larger Apec. Analysts say Indonesia is partial to this model since it helps the grouping

to be tied to an existing framework and will also help the EAEC win crucial support from Japan, which has remained non-committal.

**ASEAN Officials Discuss East Asia Trade Group**  
*BK1307095693 Kuala Lumpur BERNAMA in English*  
*0359 GMT 13 Jul 93*

[Text] Jakarta, July 13 (OANA-BERNAMA)—ASEAN senior officials have narrowed down to two options on the mechanism for implementation of the East Asia Economic Caucus (EAEC). The two mechanisms were through the process of the ASEAN Economic Ministers (AEM) or the Asia-Pacific Economic Cooperation (APEC), ASEAN sources said here Monday.

The Association of Southeast Asian Nations (ASEAN) groups Brunei, Indonesia, Malaysia, Thailand, the Philippines, and Singapore. The two options were considered by the officials in accordance with an earlier decision by the AEM that the EAEC should be attached to an ASEAN mechanism, a source said. The APEC process was also considered because it is ASEAN-based, he added.

It was learnt that the senior officials meeting here over the weekend had also looked into the possibility of attaching the EAEC to the dialogue process of the ASEAN Post Ministerial Conference (PMC) with dialogue partners. The officials, however, were not in favour of the PMC track, but the sources declined to state the reasons.

The recommendation on the options for the EAEC was made at a two-day discussion of the ASEAN Joint Consultative Meeting (JCM) here which ended last weekend, in preparation for the ASEAN Ministerial Meeting (AMM) in Singapore later this month. The JCM made its considerations on the EAEC, based on a paper presented by ASEAN Secretary General Ajit Singh who had been entrusted to prepare a report on the matter.

Meanwhile, Ajit Singh, when asked on the results of the JCM discussion, said: Progress had been made to enable us to present it to the coming AMM. The meeting also discussed the ASEAN Secretariat's role in APEC and it was felt that it should play an active and effective role in the forum and also in coordinating supportive services to ASEAN delegates at APEC meetings, he said. Ajit Singh said the JCM also felt that U.S. President Bill Clinton's suggestion for APEC to hold an economic conference was important enough for the AMM to consider.

**Against Upgrading APEC Proposal**  
*BK1707035293 Bangkok BANGKOK POST in English*  
*17 Jul 93 p 22*

[Text] Senior ASEAN economic officials decided this week not to support a US proposal to upgrade the Asia-Pacific Economic Cooperation (APEC) group from a consultative body into a trade negotiations forum, a Thai participant said yesterday.

Karun Khittisatapon, the director of the International Economic Policy Coordinating Office, said the officials who met in Jakarta on Monday and Tuesday, also agreed to recommend that a US draft for future APEC trade cooperation should be called a "declaration" instead of a "framework" in order to make it less binding.

Several ASEAN members have already expressed a reluctance to endorse proposals from the United States and Australia to beef up APEC by holding a summit meeting of the group's leaders later this year and to use the group to negotiate trade.

Malaysia is the most reluctant, preferring to promote its own proposal for an East Asian Economic Caucus which would exclude the North Americans and possibly Australia and New Zealand.

Thai Deputy Prime Minister Suphachai Phanichaphak has said that negotiating trade within APEC could distract attention away from efforts to conclude the Uruguay Round of world trade talks this year.

And Prime Minister Chuan Likphai has questioned the value of holding an APEC summit this year.

APEC comprises the United States, Canada, Australia, New Zealand, Japan, South Korea, China, Hong Kong, Taiwan, and the ASEAN six. The United States, this year's host, is drafting plans for APEC's future to be considered when APEC ministers meet in Seattle in November.

This week's senior ASEAN economic officials' meeting also considered the ASEAN Free Trade Area [AFTA] programme. Mr Karun said the ASEAN secretariat was asked to draw up a report comparing the six countries' schedules for cutting import duties under AFTA.

Thailand's schedule was difficult to compare with that of other countries because it was submitted at the nine-digit coding level, which refers to products in detail, whereas other ASEAN countries' schedules used the six-digit level, which refers to broader groups of products.

The ASEAN secretariat has been asked to make two comparisons, at the six- and nine-digit levels.

**Discuss Cambodia, Spratlys Issues**  
*BK2007045093 Bangkok BANGKOK POST in English*  
*20 Jul 93 p 6*

[by Nusara Thaitawat and Woranan Krongboonying in Singapore]

[Text] Singapore—Senior Association of Southeast Asian Nations (ASEAN) officials yesterday focussed on regional issues as they began groundwork preparations for a ministerial meeting opening on Friday.

Permanent Secretary for Foreign Affairs Pracha Khunakasem said the officials started work on a draft statement on Cambodia and discussed a report on cooperation between ASEAN and the United Nations along

the lines of the "Agenda for Peace" proposed by UN Secretary-General Butrus Butrus-Ghali.

According to a conference source, the ASEAN Senior Officials Meeting (SOM), continuing today, also agreed to recommend that Cambodia be invited to the grouping's 27th Annual Ministerial Meeting (AMM) taking place in Bangkok next year.

Another source said Cambodia had actually made it known through various channels that it wished to attend this year's AMM.

But host Singapore reportedly was not approached although it privately had expressed an openness to Cambodia's participation.

The statement on Cambodia would be released as a separate document of the 26th AMM continuing through Saturday, in addition to the traditional joint communique.

"The statement is being issued separately because we (ASEAN) attach much importance to Cambodia," said Mr Pracha.

The 25th meeting of ASEAN foreign ministers in Manila last July issued a separate "Declaration on the South China Sea" that called for peaceful settlement of disputes in the resource-rich Spratly Islands.

A diplomatic source said ASEAN would call on the UN and the international community to remain engaged in Cambodia after the withdrawal, scheduled for August 28 of the United Nations Transitional Authority in Cambodia (UNTAC).

ASEAN is expected to urge continued political support as well as assistance in the reconstruction and rehabilitation of the war-ravaged country, the source said.

"The Cambodian situation remains fragile. Should something happen, ASEAN will need the UN and the international community," he said.

The ASEAN statement is also expected to welcome the formation of the new government in Phnom Penh and support Prince Norodom Sihanouk's leadership in reconstruction and national reconciliation.

The SOM also discussed the possibility of Japan managing the proposed fund for the reconstruction and rehabilitation of Cambodia, for which some US\$880 million was pledged in Tokyo last year.

The report on UN-ASEAN cooperation, said Mr Pracha, was prepared by ASEAN's permanent representatives to the UN.

"Preventive diplomacy, conflict resolution and confidence building are very important issues and also long term issues which will take years and even decades to evolve," said Mr Pracha.

Thailand accepts the major points of Mr Butrus-Ghali's "Agenda for Peace" and is prepared to do its utmost to cooperate with the UN, both in providing resources and manpower, he said.

The SOM "touched upon" the call from US President Bill Clinton to hold a summit meeting in November of the Asia Pacific Economic Cooperation (APEC) forum, said Mr Pracha.

Asked for Thailand's stand on this, he referred reporters to Foreign Minister Prasong Sunsiri, who arrives here on Friday evening.

He said: "APEC is not ASEAN. There is no need to have an ASEAN position on this issue."

The SOM also discussed the role of guests China and Russia in the regional security picture marked by trouble spots in North Korea, the Spratly Islands as well as Cambodia, diplomatic sources noted.

Mr Pracha said ASEAN would hold "consultative meetings" with these two guests as well as observers Vietnam, Laos and Papua New Guinea.

An informal dinner bringing together the six ASEAN member states and these guests and observers is scheduled for July 25.

The SOM "just touched upon" the question of human rights.

"We are still debating whether it is the right time to discuss human rights.

"In Vienna, Asia was able to protect its interests, so maybe next year's AMM will be a better time," said Mr Pracha in reference to the World Conference on Human Rights last month.

The Director General of the Thai Foreign Ministry's ASEAN Department, Laxanachanton Laohaphan, said ASEAN was unlikely to raise the issue of human rights with the European Community at the Post-Ministerial Conference (PMC) scheduled for July 26-28.

"The existing ASEAN-EC cooperation does not link human rights with economic assistance," she said.

Meanwhile, a conference source said the SOM agreed to recommend that Pakistan, Mongolia and Mexico be admitted as "sectoral dialogue partners".

As a member of the North American Free Trade Area (NAFTA) Mexico will serve as a link for ASEAN with APEC and NAFTA, the source said.

### Consider Extending Peace Treaty

*BK2007114493 Singapore THE STRAITS TIMES in English 20 Jul 93 p 1*

[By Salim Osman and Derwin Pereira]

[Text] Senior ASEAN officials yesterday discussed the possibility of expanding the ambit of the Treaty of Amity and Cooperation to include regional powers such as China.

An ASEAN delegate said the grouping's treaty, signed at the Bali summit in 1976, would be part of the ground rules for the conduct of relations among countries in the region.

The ASEAN officials were preparing for the two-day ministerial meeting from Friday.

"China would think twice about its actions in the region once it signs the treaty," said another official. He said the region was concerned about China's growing military power in the South China Sea.

A Thai diplomat said China's accession to the treaty could be the first step towards creating a sectoral or dialogue status with ASEAN.

Another official said there was a suggestion that Australia and New Zealand should also accede to the treaty.

The treaty binds signatories to the principles of peaceful coexistence, peaceful settlement of disputes, mutual respect and non-interference. It is open to accession by other states both within and outside South-east Asia. All ASEAN countries have signed the treaty. Papua New Guinea acceded to it in 1989 and Vietnam and Laos did so last year.

Yesterday's meeting also discussed ways to increase cooperation with Vietnam and Laos, which are attending the ASEAN ministerial meeting as observers for the first time.

An ASEAN source said the officials proposed inviting Cambodia's foreign minister to attend the meeting.

Malaysian Foreign Ministry Secretary-General Tan Sri Ahmad Kamil Jaafar told Malaysian reporters that ASEAN would discuss plans to rebuild the war-torn country following the formation of a new government in Phnom Penh.

"We are not about to infringe on their sovereignty. We will only support whatever choice they make," he said.

The Thai Foreign Ministry's Permanent Secretary Mr. Pracha Khunnakasem, said ASEAN would reiterate its commitment to Cambodia.

The officials did not take a common position on the proposed Asia-Pacific Economic Cooperation forum in Seattle in November. This would be left to the individual ASEAN countries to decide.

An ASEAN source disclosed that the officials yesterday also discussed applications from Pakistan, Mexico and Mongolia to become the grouping's sectoral partners. A sectoral partner can take part in meetings with ASEAN on certain sectors such as investment, trade and tourism

finance and banking, transport and communications. India is a sectoral partner in investment, trade and tourism.

The issue of Vietnamese refugees was also discussed at the meeting, Philippine Foreign Affairs Undersecretary Rodolfo Severino said.

#### Tripartite Meeting on 'Growth Triangle' Opens

*BK1907091993 Kuala Lumpur BERNAMA in English  
0812 GMT 19 Jul 93*

[Text] Langkawi, July 19 (OANA/BERNAMA)—The two-day Indonesia-Thailand-Malaysia growth triangle tripartite preparatory meeting among officials began here Monday while the ministerial level meeting will be held Tuesday.

The Malaysian delegation was headed by the Economic Planning Unit (EPU) Director General Ali Abul Hassan Sulaiman with the Indonesian delegation led by its deputy head of regional development, National Development Planning Agency (BAPPENAS), Prof [Professor] Sugijanto Sugijoko while the Thai delegation was led by the secretary-general of the National Economic and Social Development Board (NESDB) Dr Phisit Phak-kasem.

Among topics discussed at the one-day closed session were promoting private sector participation and cooperation in developing the triangle and proposed projects for immediate implementation.

Opening the meeting, Ali said the creation of the growth triangle was an important mechanism for Indonesia, Thailand and Malaysia to work together to optimise the possibilities for development in the triangle.

In doing so, we will move towards a greater deepening and enlargement of the scope of our collaborative efforts in the spirit of ASEAN cooperation, he said.

He said Malaysia envisaged greater collaboration in developing the vast potential of the components regions in the triangle including cooperative arrangement in agriculture.

Obviously, the cooperation under the triangle should not be limited to only trade and tourism which have been traditional links between Southern Thailand and Northern Sumatera, he said.

He said Malaysia was pleased that the Governments of Thailand and Indonesia had come out strongly in support of the development concept and had expressed the common desire that the three countries should move ahead to discuss the possibilities for the immediate implementation of feasible joint projects.

Prof Sugijanto Sugijoko said one of the striking features that the three countries had in common was their mutual

commitment to sustain an equitable growth, sound management of their natural resources and living environments and the enhancement of their cultures.

We have all made tremendous strides in alleviating poverty, and in improving our people's education and health.

One challenge we all face is in ensuring that all regions of our nations share in the fruits of development. In this context, it is particularly appropriate that we focus on the triangle where our nations meet. For this is an area of great and untapped development potential, he said.

He said the Indonesian Government was very enthusiastic about the triangle project as it was not only seen as

an instrument for spurring regional, national, and sub-national growth, but also as a vehicle for deepening the bonds of friendship, cooperation, and mutual respect among the three countries.

Deputy Permanent Secretary of the Thai Interior Ministry Nipon Bunyaphattharo said Malaysia and Thailand, being neighbours, had many projects for immediate implementation.

He said Thailand had proposed to host the first meeting among the private sectors of the three countries to look into areas where the private sectors could cooperate.

The date of the meeting, which Thailand had proposed be held in Hatyai, had yet to be fixed, but it would probably be held this year.

Japan

**MITI on Fall in Trade Surplus With U.S.**

*OW1607232793 Tokyo KYODO in English 2311 GMT  
16 Jul 93*

[Text] Tokyo, July 17 KYODO—The Trade Ministry responded cautiously late Friday [16 July] to the release of data showing a sharp fall in Japan's trade surplus with the United States in May. The U.S. trade deficit with Japan plunged 31.7 percent in May to 3.75 billion dollars, down from 5.50 billion dollars in April and the lowest in three months, the U.S. Commerce Department announced Friday.

A senior official of the Ministry of International Trade and Industry's international trade policy bureau said, "The trade data doesn't allow us to jump to a conclusion that the bilateral trade imbalance has started to be rectified." He added, "The fall in the (trade) surplus may have stemmed largely from lower imports from Japan due to a slow economic recovery in the U.S."

U.S. imports from Japan in May declined 14.9 percent from the previous month to 7.81 billion dollars, according to Commerce data.

The steep fall in Japan's trade surplus with the U.S. was attributed by many analysts mainly to a sharp decline in automobile imports on account of stronger competitiveness of Detroit's "Big Three" automakers. The MITI official expressed concern that overall U.S. purchasing power may have weakened.

**Okuda: Trade Surplus Cut 'Most Urgent Task'**

*OW2007101293 Tokyo KYODO in English 0945 GMT  
20 Jul 93*

[Text] Tokyo, July 20 KYODO—The head of the Federation of Bankers Associations of Japan said Tuesday [20 July] that reducing Japan's external trade surplus by expanding domestic demand will be the most urgent task facing a new government.

Tadashi Okuda, who is also president of the world's leading commercial bank, Dai-Ichi Kangyo Bank, made the remark at a news conference in connection with the outcome of Sunday's general election. In the poll, the conservative Liberal Democratic Party failed to win a majority in the 511-member House of Representatives.

Referring to the strong showing by newly born conservative parties, Okuda said political stability should be restored as early as possible to reinvigorate the economy. He expressed concern that the rise of the yen may further slow economic recovery.

Okuda said it is not timely for the Bank of Japan to lower the official discount rate and added the Central Bank should take a flexible attitude in managing monetary policy.

**U.S. Economist Urges More Global Commitment**

*OW2007100093 Tokyo KYODO in English 0848 GMT  
20 Jul 93*

[Text] Tokyo, July 20 KYODO—A U.S. economist said Tuesday [20 July] that Japan should make greater commitments in global trade issues to reduce subsidies and trade protectionism.

Robert Shapiro, vice president of the Progressive Policy Institute, said in a speech at a Tokyo hotel that Japan has a special responsibility to boost the world economy as it is the only Group of Seven (G-7) nation which enjoys account surplus.

"It is just an opposite case from the mid-1980s, when the United States was the only fiscal deficit-ridden nation among the G-7 economies," Shapiro said.

Referring to fiscal investment in Japan, Shapiro said his institute told President Bill Clinton's administration that Japan could strengthen its economy by using its resources more productively.

Shapiro said research and development in Japan, mainly carried out by the private sector, should be more open, like the work done in U.S. universities. He also called for Japan to review its government procurement system to lure more participation from overseas.

**Owada's Role in Trade Talks With U.S. Viewed**

*OW1707055393 Tokyo KYODO in English 0539 GMT  
17 Jul 93*

[Text] Tokyo, July 17 KYODO—Outgoing Vice Foreign Minister Hisashi Owada played a key role in preventing the collapse of Japan-U.S. negotiations for a new trade framework, senior Foreign Ministry officials reported Saturday [17 July].

Owada, father of Crown Princess Masako, engaged in a series of behind-the-scenes diplomacy meetings, including an unusual face-to-face session with U.S. President Bill Clinton, to bring about a successful conclusion of the negotiations, they said.

Owada, who is scheduled to retire August 1, played the role on behalf of Deputy Foreign Minister Koichiro Matsuura who was preoccupied with preparations for the July 7-9 Tokyo summit of the Group of Seven industrialized nations, the officials said.

To begin his diplomatic work, Owada held a secret meeting July 7 with W. Anthony Lake, presidential assistant on national security affairs, presenting him with a Japanese draft agreement, they said.

Owada then held talks with Clinton the following day, the officials said.

They said Clinton agreed to meet Owada apparently because he was briefed in advance that the Japanese

diplomat is a close friend of Secretary of State Warren Christopher and has strong influence in Japanese diplomacy.

Owada warned Clinton that a rupture of negotiations would seriously undermine bilateral relations between the two countries, the officials said.

The agreement was reached after a marathon meeting between Clinton and Japanese Prime Minister Kiichi Miyazawa only hours before Clinton's departure for Seoul after the Tokyo summit.

#### **'Soaring' Yen Hits Export-Oriented Districts**

OW1907084993 Tokyo KYODO in English 0704 GMT  
19 Jul 93

[Text] Tokyo, July 19 KYODO—Industry associations in export-oriented districts throughout Japan suffered a sharp drop in export contracts due to the yen's recent appreciation, according to a government survey released Monday [19 July].

The Ministry of International Trade and Industry conducted the survey in late June in 20 districts where exports account for 20 percent or more of overall sales, asking industry associations about the effects of the soaring yen.

Fourteen of the 20 district associations, representing small- and medium-sized manufacturers, replied that the amount of export contracts plunged from a year earlier mainly due to the yen's rapid gains in foreign exchange dealings. The previous survey in late May showed 11 associations reporting a sharp drop in the export contract amount.

The U.S. dollar was quoted at 106.51 yen at the end of June, compared with 125.55 yen a year before, according to the ministry.

Assuming that the dollar remains at the current level, the industry associations in 14 of the 20 districts estimate that more than half of the companies in their area would fall into the red, the survey said. This compares with 11 districts making a similar response in the previous survey.

#### **Hanabusa: No Knowledge of Escobar Kin Arrival**

OW2007095693 Tokyo KYODO in English 0732 GMT  
20 Jul 93

[Text] Tokyo, July 20 KYODO—Japanese immigration authorities have been informed of reports that several relatives of Colombia's fugitive drug kingpin Pablo Escobar Gaviria may arrive in Tokyo soon, Foreign Ministry sources said Tuesday [20 July].

A foreign news agency report quoted police sources in Santiago as saying Monday that seven Escobar relatives left the Chilean capital by airplane earlier that day and were headed for Madrid where they were to change planes and fly on to Tokyo.

Another Santiago-dated dispatch quoted a family lawyer as saying the group was en route to an undisclosed Asian country.

Foreign Ministry Spokesman Masamichi Hanabusa told foreign correspondents that Japan presently "has no information about their whereabouts."

The spokesman said that if they indeed arrive in Japan, their entry will be given "due consideration" in accordance with relevant laws and regulations.

Sources said the Ministry had notified immigration authorities of the news reports. "Whether or not the relatives are accepted into Japan is up to the judgment of those authorities," said one official.

The Escobars, who left Colombia to escape attack by enemies of the Medellin Cartel chief, were ordered last week by the Chilean Government to leave. Argentina, Paraguay and Peru have denied entry to the Escobars.

The seven included Nicolas Escobar Urquijo, 23, the son of Pablo Escobar's jailed brother, Roberto, who was reputed to be the drug cartel's treasurer. Also included were Nicolas' wife, 18-month-old son, mother, sister and two other family members.

Hanabusa denied reports that the seven had been issued visas by the Japanese embassy in Chile, but noted there is a mutual visa-waiver agreement between Japan and Colombia.

Nicholas Escobar reportedly said Japan had granted the group entry visas and that they would probably go to Tokyo from Madrid.

Earlier this month, Costa Rica expelled seven other Escobar family members.

#### **Tokyo To Support 'Indefinite Extension' of NPT**

OW1607235593 Tokyo KYODO in English 2316 GMT  
16 Jul 93

[Text] Tokyo, July 17 KYODO—Japan will support an indefinite extension of the Nuclear Non-proliferation Treaty (NPT) beyond 1995, when it is due to expire, the YOMIURI SHIMBUN reported Saturday [17 July]. The mass-circulation daily said Japan will announce the decision at a New York meeting in January to prepare for a 1995 international conference to discuss the extension of the pact.

The Japanese decision will dispel concern among the United States and Asian countries that Japan is intending to possess nuclear weapons in the future, it said.

During discussions at last week's Tokyo summit of leaders of the Group of Seven (G-7) major powers, Germany and Italy expressed support for an indefinite extension of the treaty. But Japan remained ambiguous

on whether to back an indefinite extension, noting that the nuclear powers have failed to achieve nuclear disarmament.

On Tuesday, Foreign Ministry spokesman Masamichi Hanabusa said Japan does not oppose the indefinite extension of the treaty and denied it is intending to preserve a nuclear option.

The NPT, which came into force in 1970, requires nuclear powers to sincerely promote disarmament talks and bans nonnuclear states from producing or possessing nuclear arms.

Japan became party to the NPT in 1975.

**Pyongyang's Readiness for IAEA Talks Hailed**

*OW2007092493 Tokyo KYODO in English 0738 GMT  
20 Jul 93*

[Text] Tokyo, July 20 KYODO—Japan on Tuesday [20 July] welcomed North Korea's agreement to hold talks with the International Atomic Energy Agency (IAEA) on the subject of safeguard inspections of sites suspected of being nuclear weapons development facilities.

"Japan welcomes this as a step forward toward resolution of the problem of North Korea's nuclear weapons development," Foreign Ministry Spokesman Masamichi Hanabusa told reporters.

The spokesman was responding to an accord reached by U.S. and North Korean negotiators Monday, in which Pyongyang said it is prepared to hold early consultations with the IAEA on outstanding safeguards and other issues.

North Korea also agreed to resume talks with South Korea on North-South bilateral issues, including implementation of a joint declaration on the denuclearization of the Korean peninsula.

"We would like to carefully watch in particular the progress on consultations between North Korea and the IAEA and also between North Korea and (South) Korea," the Ministry spokesman said.

North Korea suspended its March decision to opt out of the Nuclear Non-Proliferation Treaty (NPT) after four rounds of talks with the U.S. in New York on June 11, just one day before Pyongyang's nuclear withdrawal went into effect.

Hanabusa said Japan "again calls on North Korea to resolve as soon as possible the problem of its nuclear weapons development through complete retraction of its decision to withdraw from the NPT."

**Ministers Attack Ban on Cabinet Visits to Taiwan**  
*OW2007084993 Tokyo KYODO in English 0728 GMT  
20 Jul 93*

[Text] Tokyo, July 20 KYODO—Labor Minister Masakuni Murakami and International Trade and Industry Minister Yoshiro Mori on Tuesday [20 July] called for the lifting of a government ban on cabinet members visiting Taiwan.

In a gathering of ministers after the day's cabinet meeting, Murakami said he planned to attend the International Vocational Training Competition to be held in Taiwan at the end of this month as an adviser. Chief Cabinet Secretary Yohei Kono, however, citing Chinese sensitivities, ruled out such a visit.

"Cabinet minister-level visits to Taiwan must be recognized as soon as possible," Murakami said.

Mori supported Murakami, pointing to recent Taiwan visits by cabinet-level officials from other countries like the United States. "If possible, I, too, would like to visit Taiwan," Mori said.

Foreign minister Kabun Muto said he broached the matter with Chinese Foreign Minister Qian Qichen during the latter's visit to Tokyo in late May, but was told Beijing wants Tokyo to "deal cautiously" with Taiwan visits. Beijing, which considers Taiwan a province of China, observes with suspicion and usually harshly criticizes any moves that could be interpreted as a recognition of the Taipei Government.

Ties between Japan and Taiwan were severed in 1972 when Tokyo and Beijing established diplomatic relations. In the past, Chinese authorities have reacted angrily to Japan-Taiwan initiatives.

Eager to snatch a share in Taiwan's six-year, 41 trillion yen infrastructure project, high-ranking officials from other industrialized countries have ignored Beijing's objections and paid official visits to the island.

They have included the U.S. trade representative and French and German cabinet ministers.

Taiwanese officials have urged Tokyo to upgrade bilateral contacts through cabinet-level visits and frequently criticize Tokyo for its sensitivity to China's protests.

**Bid To Buy C-17 Air Truck From U.S. 'Blocked'**

*OW1707104693 Tokyo KYODO in English 1006 GMT  
17 Jul 93*

[Text] Washington, July 17 KYODO—The U.S. State Department has blocked a Japanese bid to purchase the U.S. military C-17 air truck because it fears a military buildup by Japan, well-placed sources said Saturday [17 July].

The Japanese Government has had unofficial negotiations for several years with the major U.S. aircraft maker

McDonnell Douglas Corp. via Mitsui and Co., Japan's major trading firm, about purchasing the long-range aircraft, according to the sources. But the sources said the State Department suspended McDonnell Douglas' export license in May, preventing further negotiation on purchasing.

The U.S. State Department official in charge of licenses refused to comment.

The Defense Agency's top official flatly denied that negotiations had been held. "The C-17 has never been talked about either in the agency or with the U.S.," the official said.

However, sources close to the U.S. defense industry said the U.S. Government reacted negatively to the military deal because it feared Japan would beef up its military strength.

The C-17 is equipped with an air-to-air refueling system. It has a cruising capability of up to 8,300 kilometers without needing to refuel and could cover the entire Asian region, the sources said.

The sources said the Defense Agency has insisted on the necessity of stepping up Japan's transport capability in anticipation of further commitments by Tokyo to global peacekeeping efforts.

The C-130 transport, currently used by Japan's Self-Defense Forces (SDF), has a range of only 3,600 kilometers. To get Japanese peacekeepers in Cambodia last year, it had to land and refuel several times en route.

A McDonnell Douglas official said the short take-off and landing (stol) C-17 is suitable for peacekeeping activities because it can land at small airports such as Mogadishu in Somalia, where 20,000-strong U.N. forces have been deployed.

The official said McDonnell Douglas is negotiating sales of the high-performance aircraft with Britain, France and Germany.

The Washington Bureau of Mitsui and Co. confirmed that it acted as intermediary in the U.S.-Japan military negotiations. The Japanese Embassy in Washington said nothing had been decided.

#### Farm Lobby Studies Coping With Rice Imports

OW1707035993 Tokyo KYODO in English 0332 GMT  
17 Jul 93

[Text] Tokyo, July 17 KYODO—One of Japan's most powerful farm lobbying groups is studying how to cope with competition from foreign rice, indicating it is preparing to accept liberalization of rice imports.

The study follows a secret report prepared by the National Federation of Agricultural Cooperative Associations (Zenno), which proposed studying ways to compete with imported rice on the assumption that rice imports will be allowed. The report, a copy of which was

obtained Saturday [17 July] by KYODO News Service, urges that an import system be developed for rice used in processed foods and calls for Zenno to build up its own distribution network to be sure of maintaining market dominance against imports.

The report suggests that the distribution network should be for bulk rice instead of packaged rice as at present, saying imported rice would be mainly distributed in bulk.

A senior Zenno official denied that the report marks a change in Zenno's policy of opposing liberalization of the rice market. "This is just one of the topics we are talking about without taboos within Zenno," he said on condition that he not be named.

Zenno officials insisted that the report is part of its efforts to review the federation's functions by next summer under a program it launched last November, when it set up a think tank. It is to hammer out a reorganization plan next month.

The urgency of reorganization reflects the rapidly changing environment surrounding agriculture, as Japan's farming population ages and foreign pressure mounts for an end to its rice import ban.

Japan bans imports of rice, its staple food, for reasons of food security, though some foreign rice used in processed foods is allowed. Japan consumes about 10 million tons of rice a year, of which some 15 percent or 1.4 million tons is used in processed foods.

#### Political Shift's Effect on Rice Prices Feared

OW2007012993 Tokyo KYODO in English 1219 GMT  
19 Jul 93

[Text] Tokyo, July 19 KYODO—Japan's Farm Ministry fears that the change in power balance in the nation's political world may bring about higher rice prices, ministry officials said Monday [19 July].

The Ministry of Agriculture, Forestry and Fisheries expects little change in Japan's overall farm policy from a new coalition government likely to be formed after the Liberal Democratic Party (LDP) failed to gain a majority in the House of Representatives in Sunday's election, the officials said. But the weakened say of the LDP may lead to higher government purchase prices of rice since all the other parties call for such price hikes to win farmers' support.

Every year, the government buys much of the rice crop from farmers and resells it to consumers at subsidized prices which are still four or five times higher than world market prices. In order to cut government financial burdens and bring Japanese rice prices more in line with international standards, the government reduced the producer rice price every year since 1990 until last year, when it kept it unchanged ahead of a House of Councilors election.

This year, too, the government and the LDP have been poised to freeze the rice price in view of stiff oppositions from rice growers.

Ministry officials said the schedule of the Rice Price Council, an advisory body to the farm minister which determines producer rice prices, will not be set until a new government is created. This means the council will probably not meet until the middle of August.

The ministry expects little policy change on Japan's long-standing ban on rice imports, which is partly blamed for the lengthy stalemate of the Uruguay Round of global trade talks, with all parties opposed to lifting the rice import ban.

Some political parties, however, oppose proposed tariff cuts on processed farm products, which Japan's negotiators are using as a bargaining chip to keep the rice import ban. "It might bind our hands at the negotiations," an official said.

#### Hanabusa on Russian Reports Regarding G-7

OW2007093693 Tokyo KYODO in English 0909 GMT  
20 Jul 93

[Text] Tokyo, July 20 KYODO—Japan did not exceed its authority as host country of the Group of Seven (G-7) summit earlier this month as charged in Russian media reports, a foreign ministry spokesman said Tuesday [20 July]. "The reports contain obvious errors whose substance might negatively affect Japan-Russia relations," spokesman Masamichi Hanabusa told reporters.

The reports in some Russian newspapers said Foreign Minister Kabun Muto, in announcing the G-7 political declaration at a press conference July 8, had given his own interpretation without the authority of other G-7 countries.

Muto said then the fact there was no specific reference to the Japan-Russia territorial dispute in this year's declaration reflected a G-7 understanding there is no need for reiteration since previous declarations on the issue remain valid.

Hanabusa denied Russian reports the Japanese Government qualified Muto's remarks by saying they were intended mainly for domestic consumption.

"The position of the G-7 on this matter is as stated by Foreign Minister Muto in his press conference," he said. "There is no change in the G-7 understanding on this matter, nor has Japan's stance retreated."

#### Business Groups Discuss Political Donations

OW1907104393 Tokyo KYODO in English 0941 GMT  
19 Jul 93

[Text] The nation's four major business organizations—Keidanren [Federation of Economic Organizations], the Japan Federation of Employers' Associations

(Nikkeiren), the Japan Association of Corporate Executives (Keizai Doyukai), and the Japan Chamber of Commerce and Industry (Nissho)—agreed earlier this month to review their policy of distributing political donations to the LDP.

Asked about the political outlook, Hiraiwa said he expects Sakigake [Harbinger Party] and the JNP [Japan New Party] to cooperate with the LDP, but said he does not know whether they will do it by joining an LDP-led government.

Some business sources said the four business organizations may consider tying their political donations with each party's attitude toward political reform rather than seats in the lower house.

Business donations to the LDP are currently funneled through Keidanren, which provides the party some 13 billion yen a year.

#### Table Lists Strength of Parties in Both Houses

OW1807184893 Tokyo KYODO in English 1831 GMT  
18 Jul 93

[Text] Tokyo, July 19 KYODO—The following table shows the revised strength of political parties in the Diet following the July 18 House of Representatives general election and House of Councillors by-elections. (figures in parentheses indicate pre-election strength):

House of Representatives (lower house)	Parties	House of Councillors (upper house)
223 (227)	LDP [Liberal Democratic Party]	99
74 (134)	SDP [Social Democratic Party]	73
55 (36)	Shinsei [Shinseito]	8
52 (45)	Komeito	24
35 (0)	JNP [Japan New Party]	4
17 (13)	DSP [Democratic Socialist Party]	11
15 (16)	JCP [Japanese Communist Party]	11
13 (10)	Sakigake	0
0 (0)	Democratic Reform Coalition Party	10
0 (0)	Niin Club	5
4 (4)	USDP [United Social Democratic Party] (Shaminren)	0
23 (10)	Independents	7
0 (15)	Vacancies	0
511 (512)	Total	252

(Note: figures of the revised lower house strength include independent election winners expected to join the parties. The number of the lower house's total seats was reduced from 512 to 511.)

**Politicians Facing 'Variety' of Scenarios**

OW2007013193 Tokyo KYODO in English 1320 GMT  
19 Jul 93

[Text] Tokyo, July 19 KYODO—Japan's politicians are facing a variety of possible scenarios following Sunday's [18 July] election, with Prime Minister Kiichi Miyazawa and other ruling party leaders unsure which one will prevail in a crucial parliamentary showdown expected in early August.

One scenario, advanced by optimists within Miyazawa's dominant Liberal Democratic Party (LDP), holds that the LDP, which won 223 seats in the general election, can count on 13 conservative independents, giving the LDP-led coalition 236 seats in the 511-member House of Representatives.

Under this scenario, an anti-LDP coalition of the Social Democratic Party [of Japan] (SDP) [SDPJ], Shinseito [Japan Renewal Party], Komeito, the Democratic Socialist Party (DSP) and the United Social Democratic Party (USDP) plus five independents would total only 210 seats.

If two new conservative parties—the Japan New Party (JNP) and Sakigake (Harbinger), which together won 48 seats in the poll—decide against backing the anti-LDP coalition, the LDP's candidate would win in the runoff for the premiership in the lower house. A runoff will be held only if none of the potential candidates wins a simple majority of 256 votes.

The trouble with this scenario is that some of the LDP-leaning independents, who voted for the no-confidence motion against Miyazawa's cabinet July 18, would not support Miyazawa as a candidate.

Another scenario envisages the JNP and Sakigake participating in an LDP-led coalition. But the two small parties are divided in their assessment of such a coalition.

Sakigake leader Masayoshi Takemura has hinted that his group may go along with this scheme if the LDP picks as its candidate for premier one of its political reform advocates, such as Justice Minister Masaharu Gotoda or former Prime Minister Toshiki Kaifu.

But JNP leader Morihiro Hosokawa is of the opinion that the LDP will not basically change regardless of its leader.

A third scenario is also envisioned by those who want to keep the LDP in power with the help of the middle-of-the-road DSP, which captured 15 seats in the general election.

But this LDP-DSP coalition would have a combined strength of 255 seats if independents sympathetic to the LDP and DSP are included. The total is one vote shy of the 256 necessary for an LDP candidate to win the parliamentary nomination for the premiership.

Political analysts said prospects for a fourth scenario—that of a non-LDP coalition—have been clouded by the No. 1 opposition SDPJ's historic setback and that the JNP and Sakigake hold the key to this coalition.

If the seven noncommunist and non-LDP parties—the SDPJ, Shinseito, Komeito, JNP, the DSP, Sakigake and the USDP—and non-LDP independents agree on a single candidate for premier, their total strength would come to about 260.

Shinseito leader Tsutomu Hata, a leading LDP defector, said he believes there is room for the JNP and Sakigake to discuss forging such an anti-LDP coalition to help end the LDP's 38-year grip on power.

Yet another scenario sees JNP leader Hosokawa as the non-LDP coalition's unified candidate, although many political analysts are skeptical about long-established parties like the SDPJ accepting him as a compromise choice.

Hosokawa is holding his cards close to his chest but his grand strategy calls for establishing a coalition of his party, Sakigake and the LDP and SDPJ reformers he hopes will now bolt from Japan's two largest parties.

**Young LDP Legislators Demand Miyazawa's Ouster**

OW1907122093 Tokyo KYODO in English 1129 GMT  
19 Jul 93

[Text] Tokyo, July 19 KYODO—A group of about 20 young Liberal Democratic Party legislators [LDP] Monday [19 July] demanded Prime Minister Kiichi Miyazawa's resignation, urging the LDP leadership to include them in the process of selecting the next LDP president. The group, led by House of Representative legislator Seiichi Ota, made the request in a statement after holding a meeting in the LDP headquarters.

Ota, a fifth-term legislator who got reelected in Sunday's [18 July] House of Representatives election, is a former vice finance minister and represents a constituency in Fukuoka Prefecture.

The statement said the next LDP president should be selected through a secret vote at a plenary meeting of LDP legislators of both chambers of the Diet.

The statement also said Miyazawa and the LDP elders "should resign immediately to take the blame for the breakup of the party and the failure of political reform in order to pave the way for the birth of a new LDP." It also called on the LDP elders to end the usual process of nominating an LDP president through secret back-door consultations among faction leaders. Up to now, the LDP presidency has carried with it the job of prime minister.

In a related development, a top executive of the LDP faction led by former state Minister Toshio Komoto

suggested that Miyazawa should step down to take the responsibility for the LDP breakup and electoral setback.

"Miyazawa should hand down a judgment in view of the fact that the party split up and failed to regain a majority in the election," he said. "Miyazawa should know what needs to be done to stabilize the political situation."

### Posts Minister Koizumi Offers To Step Down

OW2007033693 Tokyo KYODO in English 0325 GMT  
20 Jul 93

[Text] Tokyo, July 20 KYODO—Posts and Telecommunications Minister Junichiro Koizumi offered to resign Tuesday [20 July] in the wake of Kiichi Miyazawa's refusal to heed calls to step down as premier. Speaking at a news conference after a regular cabinet meeting, Koizumi said Miyazawa, who is also president of the Liberal Democratic Party (LDP), should quit to take responsibility for the LDP's failure to reclaim a majority in the House of Representatives in Sunday's general election.

The posts minister criticized Miyazawa in a television interview Monday afternoon after Miyazawa held his first post-election news conference and told reporters he would hang on to power.

Koizumi said Miyazawa should have resigned shortly after the outcome of the election was known. "Now that I, as a cabinet member, have criticized the premier, I am urged to tender my resignation," Koizumi said.

In Miyazawa's news conference at LDP headquarters, the premier said he would stay in his post at least for a while and called for "close cooperation" from LDP leaders.

### Urge Miyazawa To Follow Suit

OW2007054293 Tokyo KYODO in English 0522 GMT  
20 Jul 93

[Text] Tokyo, July 20 KYODO—Posts and Telecommunications Minister Junichiro Koizumi resigned Tuesday [20 July], demanding that Prime Minister Kiichi Miyazawa follow suit in the wake of the disappointing showing of the Liberal Democratic Party (LDP) in Sunday's general election.

Koizumi called for Miyazawa's resignation at a cabinet meeting earlier Tuesday, a day after Miyazawa expressed reluctance to promptly step down as LDP president and prime minister.

After the cabinet meeting, Koizumi tendered his resignation to Chief Cabinet Secretary Yohei Kono, who promised to deliver it to Miyazawa.

Miyazawa, 73, said, "it's very regrettable," when informed of Koizumi's move. He said at a news conference Monday that he would stay on, pending deliberations within the LDP.

LDP Secretary General Seiroku Kajiyama and other top LDP officials said they are ready to quit.

The conservative LDP won 223 seats in the election for the House of Representatives, 33 seats shy of a simple majority of 256 in the 511-member lower chamber.

Well-placed sources quoted Koizumi as telling Miyazawa at the cabinet meeting that the cabinet should have resigned en masse immediately after the lower house passed a no-confidence resolution against the government on June 18 following the failure to push political reform legislation through the Diet.

Miyazawa reportedly told Koizumi, "I accept your criticism solemnly."

Kajiyama told a meeting of LDP executives that the party faces the strong need to unite and prevent further defections and maintain its grip on power.

"We have to stay together and choose a new leader and system prior to the convening of a special Diet session," Kajiyama told the LDP elders, party officials said.

Kajiyama made the remarks as political analysts said the LDP is trying to woo two new conservative parties—the Japan New Party and Sakigake (Harbinger)—in a bid to forestall moves by five parties to form a coalition without the LDP.

In the meeting, Shunpei Tsukahara, chairman of the LDP's National Organization Committee, sought the leadership's help in softening the shock felt by prefectoral branches in the aftermath of Sunday's setback.

Tsutomu Kawara, chairman of the LDP's Diet Affairs Committee and a senior member of Miyazawa's faction, expressed disaffection with growing calls within the party for Miyazawa's ouster.

Kawara insisted that the Miyazawa cabinet won the public mandate, noting that with 223 seats captured in the lower house it has one more now than immediately before the election.

Meanwhile, the Sakigake party held the first postelection meeting of its 13 successful candidates Tuesday. Sakigake leader Masayoshi Takemura told the 13 legislators the party should deal with a postelection realignment of links among political parties while maintaining close ties with the JNP.

The JNP and Sakigake agreed to take unified action in a parliamentary vote for a new prime minister at the special Diet session which is expected to open around August 2. "We should resolutely fight against any groups that refuse to change politics," Takemura said.

International Trade and Industry Minister Yoshiro Mori told reporters after the cabinet meeting that Miyazawa was responsible for the massive exodus of LDP rebels who subsequently formed two new conservative parties, Shinseito (Japan Renewal Party) and Sakigake.

**Editorials Urge LDP To Hand Over Power**

OW2007014093 Tokyo KYODO in English 0127 GMT  
20 Jul 93

[Text] Tokyo, July 20 KYODO—Major Japanese newspapers called on Prime Minister Kiichi Miyazawa to resign Tuesday [20 July] and for the ruling Liberal Democratic Party (LDP) to hand over power to a coalition government after it failed to win a majority in Sunday's general election. "It is true that the LDP is still a largest party (in the Diet)...But the fact that forces—even excluding the Japanese Communist Party—that said 'no' to the LDP captured more seats than the LDP weighs heavily," the ASAHI SHIMBUN editorialized.

"Political corruption has reached its peak as a result of a 38-year rule (by the LDP) and non-LDP forces fight the election calling for a change of power against the LDP which had failed to fulfill its responsibility for political reform," it said.

"It is reasonable at this stage to order the LDP to relinquish power," the ASAHI said.

A coalition government will be a transitional one and its task is to achieve political reform, the paper said.

It is natural for Miyazawa to step down because the LDP failed to secure a majority in the lower house after the prime minister dissolved it in the wake of the passage of a non-confidence vote against his government, it said.

The MAINICHI SHIMBUN said Miyazawa stopped short of announcing his decision on whether he will resign or not at Monday's press conference.

"The people cannot understand at all how the prime minister will take responsibility (for the election result). The prime minister should express his decision as soon as possible whether he will resign or when he will resign," it said.

"Voters expressed their will to reject one-party rule by the LDP. It is reasonable for the LDP to hand over power to the opposition based on rules of parliamentary democracy," the MAINICHI said.

The MAINICHI called on non-LDP opposition parties to start talks on formation of a coalition government.

The leading economic daily NIHON KEIZAI SHIMBUN said the results of the election confirmed that passage of the no-confidence vote against the Miyazawa government was reasonable. If Miyazawa wants to stay in power, "it means he turns his back on the result of the people's judgment in the election," the paper said.

Most of the people want a great change of power, it said. Miyazawa's resignation should be a precondition for talks to form the next government, it said.

**Miyazawa 'Ready To Resign To Take the Blame'**

OW2007115693 Tokyo KYODO in English 1107 GMT  
20 Jul 93

[Text] Tokyo, July 20 KYODO—Prime Minister Kiichi Miyazawa said Tuesday [20 July] he is ready to resign to take the blame for the Liberal Democratic Party (LDP) losing its majority in Sunday's general election.

"It is only natural that I defer to the opinions of my fellow party colleagues and I am not reluctant to do so," Miyazawa told a group of key LDP legislators at the party's headquarters in Tokyo in reply to repeated calls for his resignation.

It was the first time Miyazawa, concurrently LDP president, said he is prepared to quit after his party won 223 seats in the election, failing to secure a majority in the 511-seat House of Representatives.

Until now, the LDP presidency has automatically brought with it the prime ministership because of the party's dominance in the lower house. The LDP, in unbroken power for 38 years, will confirm Miyazawa's resignation at a meeting of all LDP parliamentarians Thursday afternoon, party sources said.

The senior LDP politicians assembled Tuesday afternoon as part of efforts to regain party unity in the wake of the party's poor election showing.

Hiroshi Mitsuzuka, chairman of the LDP's Policy-Making Policy Affairs Research Council, spoke at the meeting of the need for the party to hold onto power, the sources said.

LDP Secretary General Seiroku Kajiyama said the party leadership is ready to resign en masse to take responsibility for the election outcome and sought cooperation from other members in selecting new leaders, the sources said.

The meeting came a day after Miyazawa, 73, accepted the blame for the poll performance but expressed reluctance to promptly step down.

Meanwhile, the premier decided Tuesday to concurrently serve as posts and telecommunications minister after Junichiro Koizumi quit the post earlier in the day. Koizumi tendered his resignation to Chief Cabinet Secretary Yohei Kono and demanded Miyazawa follow suit, Kono said.

Kono quoted Koizumi as telling Miyazawa at a cabinet meeting Tuesday the cabinet should have resigned en masse immediately after losing a lower house confidence vote June 18.

The opposition introduced the motion after Miyazawa failed to live up to an oft-stated pledge to achieve political reform centering on electoral changes and tighter curbs on political funding.

Instead of quitting, the premier dissolved the chamber for the snap election.

### SDP To Pursue Non-LDP Coalition Government

OW2007120993 Tokyo KYODO in English 1051 GMT  
20 Jul 93

[Text] Tokyo, July 20 KYODO—The Social Democratic Party (SDP), which suffered a crushing defeat in Sunday's House of Representatives election, reaffirmed Tuesday [20 July] its policy of pursuing a coalition government that would exclude the dominant party, SDP officials said.

In a separate meeting of the party's three top executives and Central Executive Committee members, Secretary General Hirotaka Akamatsu said the SDP will call on six other opposition parties, excluding the Japanese Communist Party, to hold a meeting, possibly Friday, to discuss forming a coalition government to replace the Liberal Democratic Party (LDP) government.

The six opposition parties are Shinseito (Japan Renewal Party), Komeito [Clean Government Party], the Democratic Socialist Party, the United Social Democratic Party, the Japan New Party (JNP) and Sakigake (Harbinger).

In late June, five opposition parties, including the SDP but excluding the JNP and Sakigake, reached a basic agreement to form a non-LDP, noncommunist coalition government after the election.

The JNP and Sakigake refused to join either an LDP-led or non-LDP coalition government before the election.

The newly emerged conservative parties are expected to have the swing vote in a parliamentary election to name a new prime minister in the wake of the LDP's election failure to win a majority in the powerful 511-seat lower house.

A special session of the Diet to name a new prime minister is expected to be convened August 2. If no candidate succeeds in gaining a majority of votes in the lower house, a run-off election would be held.

At the meetings, the SDP leadership agreed to forward a debate on SDP Chairman Sadao Yamahana taking responsibility for the party's devastating setback in the election.

In Sunday's election, the SDP, the largest opposition party, won 70 seats, 64 fewer than its preelection strength of 134. The LDP garnered 223 seats, 33 less than a 256-simple majority in the lower house.

### Kanemaru To Stand Trial Amid 'Turbulences'

OW2007012893 Tokyo KYODO in English 2309 GMT  
19 Jul 93

[Text] Tokyo, July 20 KYODO—Fallen political kingpin Shin Kanemaru will stand trial Thursday [22 July] on

charges of evading roughly 1 billion yen in income taxes as Japan's political scene whirls in turbulences initially prompted by his graft scandals.

The first hearing of the one-time influential politician comes on the heels of Sunday's general election for the House of Representatives, which followed the Diet's failure to legislate political reform bills aimed at ridding politics of endless corruption scandals.

Results of the general election pushed the ruling Liberal Democratic Party (LDP), which Kanemaru once controlled, to losing its 38-year majority in the powerful lower house.

The 78-year-old former LDP vice president, once known as "don of politics," was initially arrested by prosecutors on March 6 on suspicion of evading income taxes. He was indicted March 13 on charges of evading some 118 million yen in taxes on about 200 million yen taxable income in 1987.

On March 27, prosecutors slapped Kanemaru with another charge of skirting taxes of some 920 million yen on about 1.65 billion yen in income in 1988 and 1989, thus bringing total taxes evaded to 1.04 billion yen.

Along with Kanemaru, his entrusted aide Masahisa Haibara, 49, has also been indicted on charges of dodging taxes of some 330 million yen on a total of 650 million yen from 1987 to 1991.

Kanemaru has been accused of amassing his political contributions chiefly by investing in anonymous discount bank debentures, financial instruments widely believed to launder money and evade taxes, prosecution sources said. He also allegedly stashed billions of yen in hidden personal income in the form of gold bars and stocks, they said.

Kanemaru, known as the leader of the LDP's construction lobby and thus the LDP's paymaster, allegedly exerted his political influence in distributing construction projects to contractors.

The great bulk of the hidden income accounts for donations from the country's major construction companies in Tokyo and Osaka, as well as from minor contractors in his constituency in Yamanashi Prefecture, they said.

As head of the LDP's most powerful faction, he was instrumental in sweeping Prime Minister Kiichi Miyazawa and his predecessor Toshiki Kaifu to power.

Kanemaru stepped down from parliament in October 1992 after being fined 200,000 yen for receiving 500 million yen in illicit donations from a now-defunct, scandal-tainted major parcel delivery firm, Tokyo Sagawa Kyubin Co., which was at the center of a separate money-and-mobster scandal.

The relatively lenient fine, which allowed him to skirt a trial, and the subsequent tax evasion scandal incurred harsh reaction from the public.

The ruling LDP and opposition parties reacted by trying to implement sweeping political reform bills focused on electoral reform and tightening of political funding. But the LDP's last-minute abandonment of the bills led to the June 18 passing of a no-confidence motion against the cabinet of Miyazawa, which resulted in the dissolution of the powerful lower house and the subsequent general election.

In the hearing, Kanemaru, who was released on bail of 300 million yen in late March, is likely to deny evading taxes and say instead that he tried to use the money to realign Japan's political parties, mass media reports say.

In the election, the LDP won 223 of the 511 seats, but failed to seize a simple majority of 256 in the 511-seat lower chamber.

### Ibaraki Mayor Arrested for Taking Bribes

OW1907114293 Tokyo KYODO in English 1025 GMT  
19 Jul 93

[Text] Tokyo, July 19 KYODO—Prosecutors arrested a town mayor Monday [19 July] for allegedly receiving 14 million yen in bribes from major general contractor Hazama Corp., which reportedly played a major role in a bribery scandal that led to the downfall of the former mayor of Sendai.

Masahiro Oyama, 48, mayor of Sanwa, Ibaraki Prefecture, is suspected of pocketing the money from Hazama in March 1991 in return for favorable treatment in bidding on a construction project, prosecution officials said.

Along with Oyama, prosecutors apprehended four others, including three senior officials of Hazama.

A project to build a two-story sports complex in Sanwa was completed in June last year at a cost of some 2.1 billion yen. Hazama was awarded the contract to build the main frame of the building, town officials said.

Oyama was elected mayor in 1985 and is currently in his second four-year term.

Sanwa, with a population of 39,000, is located 60 kilometers northeast of Tokyo and developing as a commuter town for the Tokyo metropolitan area.

The Tokyo District Prosecutors Office, meanwhile, indicted former Sendai Mayor Toru Ishii on Monday on charges of taking 100 million in bribes from top executives of four construction companies.

The Tokyo prosecutors also slapped five of the six executives with an indictment in the bribery scam.

Ishii was arrested late last month for allegedly receiving bribes from Hazama, Shimizu Corp., Nishimatsu Construction Co. and Mitsui Construction Co.

### Construction Minister Denies Involvement

OW2007052093 Tokyo KYODO in English 0504 GMT  
20 Jul 93

[Text] Tokyo, July 20 KYODO—Construction Minister Kishiro Nakamura expressed regret Tuesday [20 July] about the arrest of the mayor of a town in his constituency for allegedly taking bribes and denied receiving his monetary support.

Nakamura told reporters after Tuesday's cabinet session that he "really was surprised" by the arrest of Masahiro Oyama, 48, the mayor of Sanwa town, Ibaraki Prefecture. "I received his support in my election campaigns three times in the past but I never received money from him," Nakamura said.

Oyama was arrested Monday on suspicion of taking bribes from general contractor Hazama Corp. in return for his help granting the company contracts for public works projects.

Nakamura said he has never received compensation for cooperation he has made for the development of the local community.

Oyama was the second local government head to be arrested in connection with bribery scandals involving general contractors. Earlier this month, mayor Toru Ishii of Sendai city, Miyagi Prefecture in northeastern Japan, was arrested on bribery charges.

Nakamura expressed "great regret" about the widening payoff scandals involving construction companies.

### Government Employees' Wage-Hike Freeze Planned

OW1707062693 Tokyo KYODO in English 0604 GMT  
17 Jul 93

[Text] Tokyo, July 17 KYODO—The Finance Ministry plans to freeze the fiscal 1993 wage increase for national government employees that will be recommended next month by the National Personnel Authority (NPA), ministry sources said Saturday [17 July].

The sources said the likelihood stems from an expected tax revenue shortfall for the year that started April 1.

Finance Minister Yoshiro Hayashi declared a national fiscal emergency early this month after the government posted a revenue shortfall of 1.55 trillion yen for fiscal 1992. A further delay in the national economic recovery is expected to cause an additional shortfall of trillions of yen in fiscal 1993.

The ministry is coordinating with other government offices on its plan to freeze an NPA-recommended wage hike for the first time in 11 years, the sources said.

The NPA, which annually makes recommendations on wage increases for government employees in early August, is expected to recommend a raise of about 2

percent for fiscal 1993, down from the 2.87 percent raise recommended for the previous year, the sources said.

In its initial fiscal 1993 budget, the government had appropriated 145.3 billion yen for a wage increase of 1.5 percent for fiscal 1993, which is far short of the expected wage hike recommendations.

### Political Turmoil 'Darkening' Economic Future

OW1907124993 Tokyo KYODO in English 1104 GMT  
19 Jul 93

[Text] Tokyo, July 19 KYODO—Clouds are darkening Japan's economic landscape after Sunday's [18 July] general election created a power vacuum, economists said Monday. The analysts believe the political tumult after the ruling Liberal Democratic Party's [LDP] failure to retain a lower house majority in the election could not have come at a worse time.

The national economy is at a delicate stage, as Bank of Japan (BOJ) Governor Yasushi Mieno admits, with only sporadic signs of recovery spotted after a few years of recession.

Economists said a coalition government likely to be formed will be hardly ready for immediate pump-primers the economy badly requires to keep its budding momentum. "Flexible stimulative measures can be expected only under the stable administration of the LDP," a Bank of Tokyo economist said.

Others also said the Ministry of Finance will not be tempted to mobilize further money for a coalition government with a shaky standing, especially at a time when the ministry is agonized by the dwindling tax revenue resulting from the worse-than-expected economic downturn.

The analysts were also concerned that the protracted political upheaval will delay budget compilation for the next fiscal year starting in April 1994, which would throw more cold water over the already chilled business sentiment. "The possibility lingers that the economy will crawl along the bottom for an indefinite time," another analyst said.

Cited as another source of concern is U.S. desire to see further Tokyo efforts to have consumers buy imports.

### Business Hopes for Early Start to New Government

OW2007012493 Tokyo KYODO in English 1055 GMT  
19 Jul 93

[Text] Tokyo, July 19 KYODO—Many company executives on Monday [19 July] expressed hope for an early start to a new administration to help maintain stability in economic policies. The business leaders said the result of Sunday's House of Representatives election reflected a wish among Japanese citizens to see political stability and a continuation of existing government policies.

Koichiro Ejiri, chairman of the Japan Foreign Trade Council, said, "The result of the election confirmed that voters are hoping for both political stability and a change."

Yutaka Kume, chairman of the Japan Automobile Manufacturers Association, said the result heralds a new age in which two major conservative parties should assume political leadership after the long period of a single-party rule by the LDP.

He was referring to the good electoral showing of the Japan New Party and Shinseito (Japan Renewal Party), mainly at the expense of the Social Democratic Party (SDP).

Many business leaders are hoping there will be no political vacuum, given the various problems which need to be addressed.

Yoshiaki Sakakura, chairman of the Japan Department Stores Association, said "The government should put top priority on measures to boost the nation's economy." He suggested that early discussions should be held among political leaders on whether to cut an income tax to stimulate the economy.

Meanwhile, Isao Nakauchi, chairman of the Japan Chain Stores Association, said the record low voter turnout was attributable to the lack of policy debates among the parties.

### Agency Says Economy Showing Signs of Recovery

OW2007011293 Tokyo KYODO in English 0053 GMT  
20 Jul 93

[Text] Tokyo, July 20 KYODO—The Japanese economy is showing signs of recovery, although it is still in an adjustment phase and remains sluggish generally, the Economic Planning Agency (EPA) said in a monthly report Tuesday [20 July]. The diagnosis on the state of economy, which appeared in the report submitted by EPA Director General Osamu Takatori to a meeting of economic ministers, remained unchanged from the previous month's.

In presenting the report last month, then EPA chief Hajime Funada told economic ministers the agency believed the economic slowdown had bottomed out. But the other ministers expressed more cautious opinions on the prospects of economic recovery outlined in the report.

This month, an EPA official said the agency's judgment remains unchanged, adding, "the nation's economy is still not strong enough to pick up without political support," a reference to the government's series of economic stimulus packages. "Overall, it seems that the economy has got over the worst period," he said.

In the latest report, the EPA pointed out new housing starts and public investment as the brighter spots of the nation's economic activities, like it did in the previous

report. In addition to those areas, it said the index for corporate sentiment had flattened out in May and the sentiment can be expected to keep recovering from now on.

Inventory adjustment moves are apparently in the "last stage," and the money supply has increased for two straight months to May, it said.

As for weak or still declining spots, the agency pointed out personal consumption, corporate capital investment, and industrial output, particularly in manufacturing.

#### MITI's Mori: Economy 'Continues To Falter'

OW2007051893 Tokyo KYODO in English 0439 GMT  
20 Jul 93

[Text] Tokyo, July 20 KYODO—Japan's trade minister on Tuesday [20 July] expressed concern that the nation's economy continues to falter despite the government agency's belief in recovery. International Trade and Industry Minister Yoshiro Mori said at a news conference, "some indicators, such as personal consumption and capital spending, are still weak," although the Economic Planning Agency believed the economic slowdown bottomed out.

On Tuesday, the agency released a monthly report that said the nation's economy is showing signs of recovery, although it is still in an adjustment phase and remains generally sluggish.

Mori stressed the need not to create a political vacuum in the wake of Sunday's general election, which he said might dampen the pace of the economic recovery.

#### Finance Minister Again Rules Out Income Tax Cut

OW1907124793 Tokyo KYODO in English 1027 GMT  
19 Jul 93

[Text] Tokyo, July 19 KYODO—Finance Minister Yoshiro Hayashi on Monday [19 July] once again dismissed opposition parties' calls for income tax cuts to boost consumer spending and revive the economy.

Hayashi told reporters that he has no plans to change his policy of dealing with the matter under the framework of comprehensive tax reforms, noting that a key government advisory panel on the tax system is scheduled to meet Tuesday [20 July].

The finance minister said he was told that the government's tax commission will take up general tax affairs and that no specifics, including whether to map out a draft tax reform plan by the end of this year, have been decided yet.

#### Panel Agrees To Start Talks on Income Tax Cuts

OW2007034893 Tokyo KYODO in English 0335 GMT  
20 Jul 93

[Text] Tokyo, July 20 KYODO—The government's Tax Commission agreed Tuesday [20 July] to start specific discussions in late August on tax reforms, including income tax cuts and a raise in the consumption tax rate from the present 3 percent, commission officials said. The agreement came in a breakfast meeting of the panel, an advisory group for the prime minister.

Most commission members agreed that the discussions be held from a "neutral viewpoint" at a time when the government must work out ways of dealing with the aging of the Japanese population despite its fiscal difficulties, the officials said.

Many members also said the commission should consider a raise in the consumption tax and other means of making up for income tax cuts that various political parties are likely to propose in the coming months, the officials said.

#### Kato Rules Out Immediate Need for Cut

OW2007091593 Tokyo KYODO in English 0753 GMT  
20 Jul 93

[Text] Tokyo, July 20 KYODO—The head of a government tax advisory panel said Tuesday [20 July] there is no immediate need for a cut in income tax to spur domestic demand and boost the economy.

Tax Commission Chairman Kan Kato said it is better to wait and see the effects of government pump-priming packages before going ahead with trimming income taxes. But he called for a comprehensive review of the nation's tax system to start this fall regardless of political developments.

He said a study should be made of the tax system, including the question of cutting income tax, by reviewing the balance between duties imposed on assets, income and consumption. The study should also cover problems concerning pension funds, he said.

Currently, the proportion of revenue from direct taxes, such as income tax, in Japan is much greater than that from indirect taxes, compared with other leading industrialized nations.

Members of the Commission held a working breakfast Tuesday at which they discussed the need to seriously trim expenditures, a panel member said.

Panel members will study causes of the current shortfall in government revenues before they hold their general assembly at the end of August or in September, he said.

There was also a proposal to study whether Japan's pension fund will go into the red in the future due to the increasing proportion of elderly people in the population, he said.

The participant, who spoke on condition of anonymity, said he expects the panel will be able to come up with a blueprint for a comprehensive tax reform plan by November.

**46.5 Percent of FY 93 Works Contracts Awarded**  
*OW2007040093 Tokyo KYODO in English 0346 GMT  
20 Jul 93*

[Text] Tokyo, July 20 KYODO—The percentage of public works contracts awarded by the central government during fiscal year 1993 had reached 46.5 percent by the end of May, Finance Minister Yoshiro Hayashi said Tuesday [20 July]. Of the total 16.28 trillion yen planned for use on public works projects, the amount awarded was 7.57 trillion yen—up 17.7 percent from the same period last year and at the fastest pace since 1975.

Hayashi, speaking at a regular press meeting after a cabinet session, also said there is a need to stabilize Japan's political scene, a task made more difficult by the Liberal Democratic Party's failure to regain its majority in the House of Representatives. But he refrained from suggesting any specific plans which could contribute to such stabilization.

He said the cabinet meeting did not discuss any concrete examples such as with whom the former ruling party might form a coalition.

**Department Stores Record 'Dismal' Summer Sales**  
*OW2007105393 Tokyo KYODO in English 0922 GMT  
20 Jul 93*

[Text] Tokyo, July 20 KYODO—Department stores are recording dismal sales for the Japanese gift-giving season in summer, while some supermarkets and liquor discount stores are enjoying brisk sales, retail industry sources said Tuesday [20 July]. The sales campaign for the season, known as "chugen," is in its final stage in the Kanto region, including Tokyo.

The sources said department stores, traditionally dependent on corporate customers, have been hard hit by companies' cost reduction campaigns.

A supermarket chain, meanwhile, posted an increase of more than 10 percent from a year earlier in its chugen sales, thanks to its free delivery service for gift items.

At the same time, liquor discount stores have posted sharp sales increases through cut-rate sales of beer.

As of mid-July, chugen sales were down 12 percent from the year before at Tobu Department Store Co.'s Ikebukuro store in Tokyo and down 10 percent at Sogo Co.'s Tokyo store.

As of June 30, sales were down 3 percent at Mitsukoshi Ltd.'s main store in Nihombashi, downtown Tokyo.

Supermarket chain Daiei Inc. reported a chugen sales gain of more than 10 percent after offering a 10 percent discount on selected gift items and free gift delivery service nationwide.

Among other supermarket chains, Nagasakiya Co. posted a sales increase of 8 percent with a similar delivery service, while the Kanto region outlets of Nichii Co. reported a gain of 6 percent through active sales of melons for gifts.

Kochiya, a Tokyo-based liquor discount store, recorded a sales gain of 70 percent by selling a case of 24 small cans of beer for 3,990 yen, down from the list price of 5,280 yen.

**North Korea**

**Reportage on Talks With U.S. on Nuclear Issue**

**Talks Expected To Resume**

*SK1907094793 Seoul YONHAP in English 0935 GMT  
19 Jul 93*

[Text] Geneva, July 19 (YONHAP)—North Korea and the United States are expected to have the third meeting of their Geneva talks over North Korea's nuclear issues at the American mission office here on Monday afternoon local time.

A spokesman for the North Korean mission in Geneva said over the telephone that it had been decided in principle to have a third meeting. "We are now discussing working-level matters related to another round talks," he said.

The North Korean official said the time was yet to be determined, adding, however, that it would probably be 1 or 2 P.M. on Monday.

Larry Taylor, deputy spokesman for the U.S. mission, said, "We hope the meeting will resume. We are waiting for words from the home government."

He observed that if the meeting resumes at the instructions of Washington, the time would be some time on the afternoon of Monday.

The American spokesman neither confirmed nor denied the North Korean official's statement that the two sides in principle agreed to resume the talks.

At the second-round meeting held on last Friday at the North Korean mission, the two sides failed to reach an agreement on the nuclear issue and decided to determine whether to have the third meeting after consulting with their respective home governments.

**Joint Press Statement Released**

SK2007042693 Pyongyang KCNA in English 0404  
GMT 20 Jul 93

[Text] Pyongyang, July 20 (KCNA)—Talks between the Democratic People's Republic of Korea and the United States of America were held in Geneva on July 19.

The delegations of the DPRK and the USA at the talks discussed questions for the implementation of the DPRK-USA joint statement and agreed upon a press statement.

The sides agreed to publish the press statement agreed upon respectively.

It reads.

**Press Statement of the DPRK Delegation**

The delegations of the Democratic People's Republic of Korea and the United States of America met from July 14-19, 1993 in Geneva for the second round of talks on resolving the nuclear issue.

Both sides reaffirmed the principles of the June 11 1993 joint DPRK-USA statement.

For its part, the USA specifically reaffirmed its commitment to the principles on assurances against the threat and use of force, including nuclear weapons.

Both sides recognize the desirability of the DPRK's intention to replace the current graphite moderated reactors and associated nuclear facilities with light water moderated nuclear reactors. As part of a final resolution of the nuclear issue and on the premise that a solution related to the provision of light water moderated reactors (LWRS) is achievable, the USA is prepared to support the introduction of LWRS and explore with the DPRK ways in which LWRS could be obtained.

Both sides agreed that a full and impartial application of IAEA [International Atomic Energy Agency] safeguards is essential to accomplish a strong international nuclear non-proliferation regime. On this basis, the DPRK is prepared to begin consultations with the IAEA on outstanding safeguards and other issues as soon as possible.

The DPRK and the USA also reaffirmed the importance of the implementation of the North-South joint declaration on the denuclearization of the Korean peninsula. The DPRK reaffirmed that it remains prepared to begin the North-South talks as soon as possible on bilateral issues including the nuclear issue.

The DPRK and the USA have agreed to meet again in the next two months to discuss outstanding matters related to resolving the nuclear issue, including technical questions related to the introduction of LWRS, and to lay the basis for improving overall relations between the DPRK and the USA.

**Kang Sok-chu Speaks to Media**

SK2007110893 Pyongyang KCNA in English 1053  
GMT 20 Jul 93

[“U.S. Must Take Practical Measures To Stop Nuclear Threat to DPRK, Declares Kang Sok-chu in Geneva”—KCNA headline]

[Text] Pyongyang, July 20 (KCNA)—Kang Sok-chu, first vice-minister of foreign affairs, who was heading the DPRK delegation, called a press conference in Geneva on July 19 upon the conclusion of the second-stage talks between the Democratic People's Republic of Korea and the United States of America for the solution of the nuclear problem.

Present at the press conference were reporters of the United States, the U.K., France, Japan and other countries and South Korea.

Kang Sok-chu addressed the press conference.

He stated that the results of the DPRK-U.S. talks in Geneva for the solution of the nuclear problem following the talks in New York were progressive and productive.

The DPRK and the United States, at the talks this time, reaffirmed the principles of the DPRK-USA joint statement dated June 11, 1993. The USA reaffirmed especially its commitments to the principles on assurances against the use of armed forces including the nuclear weapons and threat with such armed forces, Kang said, and continued:

And, as part of the final solution to the nuclear problem, the sides discussed the question of the replacement of the current graphite moderated reactors and associated nuclear facilities of the DPRK with light water moderated nuclear reactors (LWRS).

This is a question raised by us and this proposal of ours served as a clearer proof of the transparency of the denuclearisation and peace policy of the DPRK and made it plain that we had no intention at all to develop nuclear weapons.

On the premise that a solution related to the provision of LWRS is achievable, the U.S. side welcomed and positively supported this proposal of ours and assured us of its readiness to explore with us ways in which LWRS could be obtained.

Both sides agreed that a full and impartial application of IAEA [International Atomic Energy Agency] safeguards is essential to accomplish a strong international nuclear non-proliferation regime.

On this basis, the DPRK expressed its willingness to begin consultations with the IAEA on outstanding safeguards and other issues.

Both sides also reaffirmed the importance of the North-South Joint Declaration on the Denuclearisation of the Korean Peninsula, Kang said, and continued:

At the talks the DPRK manifested its position that the North-proposed exchange of special envoys between North and South for the preparation of summit talks should be realised, and suggested that the United States join in the efforts to realise the exchange of special envoys aimed at discussing the nuclear and other issues between the North and the South in a package.

The U.S. side expressed understanding of the DPRK's position toward the North-South dialogue and assured us of its encouragement to the dialogue for the exchange of special envoys.

The DPRK and the USA have agreed to meet again in the next two months to discuss outstanding matters related to resolving the nuclear issue, including technical questions related to the introduction of LWRS, and to lay the basis for improving overall relations between the DPRK and the USA, he said.

It was stressed that both sides must do what they ought to do for the third-stage talks, Kang Sok-chu said, and went on:

The United States should take practical steps for abandoning the nuclear threat against us, such as a stop to the "Team Spirit" exercises and specific assurances of non-use of nuke against us.

To do so will be conducive to creating an atmosphere important for the talks of the next stage.

A series of questions were raised at the press conference.

Answering a question as to the return to the treaty, the head of the delegation said it depends on whether or not the nuclear threat to the DPRK is completely removed and the problem of partiality on the part of the IAEA is solved.

With a view to arranging North-South summit talks, Kang Sok-chu said, we proposed an exchange of special envoys of vice-premier level and called for having North-South top-level talks on the basis of package discussion and agreement on pending issues including the implementation of the North-South joint declaration on denuclearization through the exchange of special envoys.

The future prospect depends on the South side.

**Article Praises Kim Chong-il Military Leadership**  
SK2007105493 Pyongyang KCNA in English 1035  
GMT 20 Jul 93

[“People’s Army With Iron-Willed Brilliant Commander Ever-Victorious”—KCNA headline]

[Text] Pyongyang, July 20 (KCNA)—NODONG SINMUN today devotes one whole page to an article headlined “People’s Army With Iron-Willed Brilliant Commander Is Ever-Victorious” contributed by Vice Marshal Choe Kwang, Politburo member of the Central

Committee of the Workers’ Party of Korea and chief of the general staff of the Korean People’s Army.

The article says the dear leader Comrade Kim Chong-il, supreme commander of the Korean People’s Army, is a great statesman equipped with literary and military accomplishments and an iron-willed brilliant commander who victoriously leads the chuche cause of army building with rare military wisdom, matchless grit and tested commanding art.

The cause of constantly strengthening the revolutionary Armed Forces in Korea is being successfully carried forward by the dear leader Comrade Kim Chong-il.

Our supreme commander Comrade Kim Chong-il defined the modelling of the whole army on the chuche idea as the basic line of building our revolutionary Armed Forces and is wisely leading the work for implementing the line. He has laid down a series of chuche-based strategy, tactics and methods of warfare. They range from the strategy and tactics based on a scientific analysis of the features of modern warfare and the topographical conditions of Korea to the methods and ways of combat action of the unit and the training of soldiers.

His military intelligence is a clairvoyant wisdom with which he looks far ahead and through everything at all times, a unique and scientific military judgement whereby he creates everything, not wedded to established military theories and norms, and a sharp penetration with which he guesses tens, nay, a hundred, through one phenomenon.

His grit and will is an iron will to turn adversity into favorable circumstances without the slightest vacillation in face of the attack of any formidable enemy, the indomitable confidence that the sky could fall and he would not care, and a rare revolutionary sweep to win new victory with the mobilization of the whole army.

The article says the wise leadership of Comrade Kim Chong-il, supreme commander of the Korean People’s Army, enables the people’s army to display the honor of being invincible revolutionary Armed Forces capable of smashing any formidable enemy and firmly defending the party, the leader and the socialist country.

The dear leader Comrade Kim Chong-il said:

“Our people’s army has grown in strength beyond comparison with the past in political and ideological aspect and in military technique and is fully prepared to smash any imperialist armed invasion at one stroke.”

It is the unshakable position of Comrade Kim Chong-il, our supreme commander, that the decisive strength of our People’s Army to smash any imperialist aggression army strong in military technique is its political and ideological superiority.

When we think of the greatness of Comrade Kim Chong-il, supreme commander of the Korean People’s Army,

victoriously leading our revolutionary Armed Forces, we can speak with high pride of his wise leadership in strengthening the people's Army into a matchless army firmly equipped in military technique.

He has put heart and soul into fully preparing our revolutionary Armed Forces in military technique as required by modern warfare.

All the officers and men are firmly equipped with the unique military idea, theory and tactics of comrade supreme commander, the whole army has become a cadre army and modernised army and all positions have been consolidated as impregnable fortress. This is an important aspect showing the might of our Army.

Comrade Kim Chong-il, supreme commander of the Korean People's Army, raised the full application of the idea of Army-people unity nursed in the days of the anti-Japanese war as an important principle in building the revolutionary Armed Forces at present and the fundamental question in bringing into full play the advantages of our socialism, and has wisely guided the work to carry it into practice.

As long as the Army and the people are united in one mind around comrade supreme commander, we can firmly defend our socialist bulwark, however frenziedly the imperialists may run about.

It is the unanimous will and firm pledge of the entire officers and men of the Korean People's Army to become rifles and bombs defending our supreme commander, Comrade Kim Chong-il, with their lives.

The entire officers and men of the ground, naval and air forces will uphold our comrade supreme commander like a fortress and shield and discharge the honorable mission and duty as the army of the leader, the party and the revolution.

### O Chin-u Article Marks War Anniversary

SK1607231593 Pyongyang Korean Central Broadcasting Network in Korean 0000 GMT 16 Jul 93

[NODONG SINMUN 16 July "special article" by Comrade O Chin-u: "The Great Victory in the Fatherland Liberation War Will Be Glorified Forever in the History of Our Nation"]

[Text] It seems only a few days ago that the gunfire in a fierce war on this land stopped, but 40 long years have passed since then. Now as we win victory in the serious confrontation with the imperialists, we will greet the 40th anniversary of the great victory in the Fatherland Liberation War as a great felicitous national event.

Recalling the days of the war when we fought our way through gunsmoke with firm determination for the party, the leader, the fatherland, and the people, what we think about deep in our hearts is that the people and the army firmly rallied as one mind around the great leader with the firm faith that we can defeat any enemy.

Our people and the People's Army [KPA] will continue to perform ever-victorious feats under the leadership of the dear leader Comrade Kim Chong-il, cherishing in their hearts the great dignity and honor of the heroic people and army who wrote a most brilliant chapter in the history of modern war.

### 1. Historians Are Always To Pay Great Attention to the War That Provided Important Momentum for the Development of Society, That Is, the Development of History.

In many cases national and class contradictions have been solved through war, the highest form of armed struggle. A review of any national history will show many precedents in which such events as national liberation and reunification and changes in social system were achieved through war. If one fails to learn about the war one's nation fought, one's posterity will not be able to understand correctly their nation's brilliant history and their outstanding national spirit.

Over the past 40 years since the end of the Fatherland Liberation War many people have analyzed from many angles the great significance of this war in the history of the world. There is a saying that truth is proven by history. Discussing this war again today, after 40 years have passed, is very significant. Doing so will give dignity to the road of heroic epic that our revolution has traveled, and it will also be useful in teaching our next generation a precious lesson which will become a guideline in their future struggle. Furthermore, for our old revolutionaries who have traveled the protracted revolutionary road since the formative period of our revolution, going through all sorts of hardships and carrying rifles, recalling the Fatherland Liberation War again is indeed of particular significance.

For our old generation, called the first generation of the revolution, the Fatherland Liberation War was the second great revolutionary war which carried on the ever-victorious history of our revolution that started in the days of the anti-Japanese struggle. By participating in this war we were able to defend our nation's independence and dignity regained amid the flames of anti-Japanese struggle and to make contributions to developing the history of our nation and the history of the revolutionary struggle. The important duty of the first and second generations of the revolution is to convey to our posterity how great and glorious the Fatherland Liberation War was.

When the great Fatherland Liberation War started on 25 June 1950, an enormous mission of national history and the times was imposed on soldiers of our People's Army and our people. That is to say, our ordinary soldiers and commanders who bravely rushed to the front line, holding rifles and spears for annihilating the enemy, became the protagonists and the persons in charge of the great revolutionary war which provided a turning point in the world's history of war and the history of the struggle for national liberation.

At the historic moment of firing a wonderful gun salute in the square of victory in the war, as well as when we saw great social and political changes after the war, we could feel deep in our minds the great mission of the times we had implemented.

People now describe the Fatherland Liberation War in the middle of the 20th century as a war that opened a new age of the anti-imperialist struggle for national liberalization and as a great war that gave a strong impetus to the general worldwide revolutionary movement. This is a correct appraisal proved by history and reality.

Whenever they hear this kind of compliment, those who participated in the war take great dignity and pride in the fact that the blood and sweat they shed were meaningful and that their generation has done something honorable for following generations. Because they have the dignity and pride mentioned above, the first and second generations of our revolution are still healthy and strong, flourishing as flowers of the revolution.

When we talk about the Fatherland Liberation War, what we must note above all is that the war dampened the high-handedness of the strong imperialist enemy, which was proud of being the strongest in the world, and fully demonstrated our nation's heroic nature and wisdom.

The great leader Comrade Kim Il-song taught in a historic speech he made in the victory square in the war 40 years ago: Our nation has waged many heroic struggles against outside aggressors in its 5,000 year-long history. However, they have not experienced such a brilliant victory as in the Fatherland Liberation War after dealing a critical blow to the strong enemy by using the strength of the entire people's unity. Our people have had neither such great dignity in the international arena nor received such active support and sympathy from the people of the world as that which they enjoy today.

As everyone knows, the enemy we faced in the Fatherland Liberation War was a war expert who had conducted more than 100 wars of aggression. It was a strong enemy that had won every war. The United States gained a third party's profit in World Wars I and II by moving quickly to the winner's side and posing as a winner. Moreover, the myth of the U.S. strength rose to the top because it grasped the strongest military and economic power among capitalist countries after World War II. In only five years after the liberalization of our nation our people and army broke the myth that had spread all over the world.

As soon as the war began, the world saw that the speculation about Korea's destiny was completely wrong. In the beginning of the war, our heroic People's Army completely surrounded and smashed the 25th Division of the U.S. imperialists, which was called an ascending division. During the first six months of the

war, many major divisions, including the U.S. 25th Division, the 1st Cavalry Division, and the 1st Marine Division, were smashed.

During the three-year war, the enemy yielded to the Korean people after losing enormous combat equipment: approximately 1,567,000 men, including about 405,000 U.S. soldiers; 12,200 planes; and 3,250 tanks and armored cars. This was a military miracle, which has been engraved as radiantly as gold in the world's history of war.

Our victory in the Fatherland Liberation War clearly proved that even a small country, which was a minor country in the past, can defeat any strong imperialist enemy if it fights death-defyingly, heroically, and fearlessly. This great truth has great significance in opening a new upsurge in the struggle of our age for national liberalization and in protecting and defending our socialist cause to the end.

Even today the revolutionary people in our times are seeking faith in certain victory and the truth of the anti-imperialist struggle from the victory in the Fatherland Liberation War. This clearly demonstrates the great influence of the war.

The past Fatherland Liberation War is becoming as a historical event that will be brilliantly and forever recorded in our history because of its protection of our national dignity and sovereignty from imperialist aggression and because it has brought about a second liberation day.

The party Central Committee's slogan on the occasion of the 40th anniversary of victory in the Fatherland Liberation War has defined 27 July, the day of victory in the war following the 15 August national liberation, as the second liberation day of our nation.

Upon receiving this new definition, all people who had directly experienced the war would vividly recall again the joy, gratitude, and the honor and dignity of our nation which they enjoyed in the days of victory in the war.

There will be probably no other words except "the second liberation" that can frankly express the historical position and role of the past Fatherland Liberation War and the significance of victory in the war. Originally, the two wars can be included in the concept of the national liberation war: One is to liberate the land which was trampled upon by outside aggressors, and the other is to protect the already gained national independence and revolutionary achievements from the aggressors. Both wars have much in common in that they seek to safeguard and adhere to independence, the life of our nation. However, the position and role of war is different from each other.

Although it is important for our people to retrieve the national dignity and sovereignty of which they have been deprived, it is more important to endlessly adhere to

them generation after generation. For our people, if 20 years of the anti-Japanese armed struggle was the first liberation war to gain national independence and sovereignty, the three-year Fatherland Liberation War was the second liberation war to keep the already established national sovereignty from outside aggressors.

If we had failed to win victory in this war, either national independence, which we gained at the risk of our lives going through bloody and flaming battlefields against Japan, or the great achievements of the democratic revolution that were made in the five years after national liberation would have been cruelly trampled. Also, our fatherland would have been the colony and plaything of the imperialism as was the case in the 1910's and 1920's.

Of course, victory in the socialist revolution, the establishment of the socialist system, and the great national historic events—such as the advent of the national golden age in all fields of politics, the economy, and culture—which have taken place in succession after the war would not be possible.

The present generation does not know in detail how sorrowful it is for those people who lost independence. It is a situation of the ruined people that there is no place for them to appeal even though their interests are cruelly impinged on and their sovereignty is trampled. It is also a situation of the people of a dependent country to be unable to speak what they want, while reading other powers' intention. In order not to repeat this bitter colonial case and to allow foreign countries' forcible act of impairing the dignity of our fatherland, our previous generation conducted the bitter war for three years.

Our new generation must firmly remember the fatherland liberation war conducted by the previous generation for the dignity of the nation, even though today's reality, in which the spirit of "our nation is the best" is being displayed and in which the fatherland's dignity is highly demonstrated to the world, is great.

What we need to point out in discussion of the past fatherland liberation war is the fact that this war has been an important occasion for fostering the strong chuche-oriented forces that can lead the socialist cause of our own style to be ever-victorious.

War can be commonly imagined by people as miserable destruction. In fact, the destructive capabilities of updated weapons that can be deployed in modern war are beyond imagination. However, the communists will not regard the war as a mere process of destruction. In the great practice of the so-called revolutionary war and in a great epic poem, the revolutionary character of the heroic people can be created and a considerable amount of might that can carry out the revolution generation after generation can be generated.

During the past Fatherland Liberation War, our people were tempered in a revolutionary manner and further awakened in terms of class in the decisive battles against the enemies which determined the fate of our nation,

and our party displayed an invincible might in the grand struggle leading the war to victory. Our People's Army, as well, acquired in the shortest period of time the rich combat experiences required in modern warfare under the leadership of the respected and beloved leader Comrade Kim Il-song, the iron-willed commander. It also vigorously fostered the powerful, mighty, and tested revolutionary Armed Forces politically, ideologically, militarily, and technologically.

Battles were further fierce, and cities and rural villages were submerged into a sea of flames. Even in such a situation, however, the single-hearted unity of the leader, the party, and the people was more firmly deepened into one which cannot be broken by anything. Reviewing this we can say that we gained something greater and more precious than we lost in the war.

Our point of view, which attaches greatest significance to the role of the main force of the revolution, cannot make a different assessment on the war. What we are proud of particularly when recalling the great Fatherland Liberation War is that numerous revolutionary core elements who became the pillars in building the party, the state, and the army grew up amid the formidable flames of the war.

When the fatherland was liberated there were not many revolutionary core elements who had been tempered amid the arduous practice of the revolution in our country. However, the grim trials of the war produced numerous people's heroes and fostered numerous loyal and able military cadres and political functionaries and sound party members and core elements. Had it not been for such core forces, how could we have launched the magnificent, great march of Chollima on the devastated land where everything was turned into ashes and how could we have firmly defended the political and ideological unity in the face of the antiparty and counterrevolutionary factional elements's vicious challenges?

They were indeed the precious core elements of our party who had infinite loyalty to the party and the leader, a lofty revolutionary spirit, and a firm anti-imperialist struggle spirit. They were also the precious assets for the victory of the cause of socialism of our own style.

The heads of our war veterans who participated in the sacred war of annihilating the enemies are already covered with white frost. However, our war veterans are still not only the important persons of our revolution who are upholding the cause of the dear leader Comrade Kim Chong-il in the important outposts of the party, the state, and the army, but are also the most reliable pillars who share the destiny with the party under all circumstances.

Today, our people and army take pride in having such outstanding old generations. Our war veterans—who fought, devoting their lives, in the most difficult period during which the lifeline of the revolution was in a dire extremity and who were tempered in the arduous socialist construction for several decades—are the old-timers of the revolution whom today's generations

should respect wherever and whenever. Because of the existence of these faithful old generations, our party and the revolutionary ranks have become mighty as we see today.

Our people's great fatherland liberation war will be recorded forever in the history of the fatherland as the glorious liberation war which fully demonstrated the Korean people's heroic mettle and honorably defended the nation's dignity and independence and as the revolutionary war which pioneered the brilliant future of our revolution and the fatherland's future of grandeur and prosperity.

## 2. The Decisive Factor That Enabled Our People and Army To Achieve Victory in the Fatherland Liberation War Rested With the Wise Leadership of the Party and the Leader.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau of the Central Committee of the Workers Party of Korea [WPK] and secretary of the party Central Committee, has indicated: Through his outstanding and tested leadership the great leader led our party and people to the victory in the war and, thus, opened the beginning of the U.S. imperialists' downfall for the first time in history, thereby making an immortal contribution to developing the world's revolution.

Revolutionary wars can be won only when they are carried out through concerted efforts of the people and the army under the leadership of the prominent commander. The victory and result of revolutionary wars rest with outstanding military intelligence and tactics of the leader, who leads the army and the people, and with senses of organization and deployment. This is the truth that we had learned through experience from the anti-Japanese days.

Many books on the fatherland liberation war justly elucidate how all the difficult situations of the war were overcome under the wise leadership of the respected and beloved leader Comrade Kim Il-song and how the door leading to victory was opened as a result. Even tens of millions of books, however, are not enough to detail the efforts and great devotion made by the respected and beloved leader in order to bring about the day of great war victory and to describe the greatness of the leader's leading features. All of those who fought under the great leader's wings during the period of the fatherland liberation war and participated in many wars will be deeply aware of this.

Our people's historic victory in the Fatherland Liberation War was the victory of the great leader's peerless military ideology and strategy. It was also the victory of the leader's undaunted will, unusual intelligence, and art of leadership. The leadership of the respected and beloved leader Comrade Kim Il-song who led the Fatherland Liberation War to victory was characterized by the fact that he surmounted at the head all kinds of ordeals with the iron will and faith in certain victory which are unshakable under any circumstances.

Our people won an unprecedented, great victory in the Fatherland Liberation War. In the course of war, however, our people did not always make surging attacks. They sometimes experienced fierce battles, which made them shed blood and tears, and paid a considerable sacrifice before they greeted the day of brilliant war victory. Soldiers who held rifles in their hands, commanders who commanded operations and combat, and the people in the rear never lost their faith or doubted our final victory. This is because they firmly believed in the greatness of the respected and beloved leader who tided over the severely prevailing difficult situation with great nerve and courage.

Here is a story told like a legend. Even during the strained period when the enemies made a surprise armed attack on the northern half of the republic across the 38th parallel, the great leader firmly ordered a bold counteroffensive which would teach the enemies a lesson, saying that they look down upon the Korean people and that we should teach wolves with a club. Upon hearing this, our People's Army soldiers and commanders, who were embarrassed by the prevailing situation for a while, were greatly encouraged and got great faith. We recall with great emotion that the final victory of war was already determined at that moment.

There are so many cases in which the great leader demonstrated his strong will and firm faith even when we had to temporarily make strategic retreats because of severest trials facing the fatherland, that we cannot list them all; the undaunted will with which he prepared an operation plan for a general counteroffensive across the entire front line; faith in certain victory in which he envisaged a grand blueprint for postwar rehabilitation, predicting tomorrow's victory in the arduous days when he had to devote all his efforts to the victory of war; and unwavering fidelity to the principle under which he had them take the strongest position at the conference room for the armistice showdown, sharply penetrating into the enemies' sinister plot. This great courage and will served as a source of strength which made our revolutionary soldiers get to their feet like a tumbling doll to run to the fierce battlefield. They also served as the water of life which made them begin their arduous march full of fighting spirit even though they did not have any meals or sleep at all for days.

Today's war historians call the victory of the Fatherland Liberation War the victory of faith and the victory of will. Faith of the iron-willed commander and the unshakable will of the people who firmly trust the leader are stronger than modern weapons, even nuclear weapons. If we have strong faith, we have nothing to fear although tens or hundreds of enemies' divisions come in flocks in a breath. We have nothing to be afraid of even though the heaven and the earth are turned upside down. This is one of the important lessons of the last Fatherland Liberation War.

The respected and beloved leader Comrade Kim Il-song's leadership won the victory in the Fatherland

Liberation War. It is important that the respected and beloved leader Comrade Kim Il-song smashed the enemies, which were superior in number and technology, through his ever-victorious chuche-oriented strategy, tactics, and outstanding logistics.

War means the confrontation of fire, the confrontation between strategy and strategy, and the confrontation between tactics and tactics. The logistics of the strategist who has the outstanding military wisdom turns adversity into prosperity by turning the enemies' superiority into inferiority in a moment. For this reason, the people cannot talk about the victory of a war without thinking of the name of the outstanding strategist.

During the Korean war, the enemies sent vast numbers of soldiers and materials to the front line. The enemies mobilized infamous strategists in succession and attempted all kinds of operations. However, all offensives and operations conducted by the enemies were miserably defeated every time. Thus, the heads of the aggression forces were doomed to be the indelibly defeated generals.

Even though the enemies mobilized well-known Western strategists and devised stratagems of all kinds, they could not cope with the might of the chuche-oriented strategy, tactics, and logistics which were created and employed by the respected and beloved leader. Our veterans still vividly remember how the outstanding chuche-oriented strategy and tactics put the enemies on the defensive and how the strategy and tactics dealt a serious blow to the enemies.

The original logistics—the extraordinary tactics of driving the enemies into a small district on the lower Naktong River by firmly taking the initiative in the war through successive offensives and assaults for one-and-a-half months after the war began; the bold operations of completely besieging and annihilating the numerically superior enemies by making an assault on the confused enemies from front and rear; the bold strategy of attacking the rear of the rascals and frustrating their operations by forming a second front line with great combined troops; and assault combat, night combat, and the organization of teams to attack the enemies' aircraft and tanks, which made the enemies shudder at every step—was the great chuche-oriented strategy and tactics that only the respected and beloved leader, the great military strategist, could create and employ.

The operation to liberate Seoul and Taejon, Hill 1211 and Hill 351 combat, and all operations and combat, which have been brilliantly recorded in the history of the Fatherland Liberation War, were created and employed by the great leader's tested tactics of leading the army and his outstanding logistics.

Whenever our KPA commanders and soldiers received the great leader's outstanding strategies, tactics, and logistics during the days of the war, their ecstasy and

emotion were endless. The KPA commanders and soldiers were then touched and pleased to tear by the outstanding strategy of entirely changing the complex war situation and by the tactics unprecedented in the history of the world war. Thereby, they rose up to the struggle to annihilate the enemies. The future generations may not fully understand the emotion of the KPA commanders and soldiers then.

Our people, soldiers, and the world military expertise then eulogized the respected and beloved leader as the military genius who descended from heaven and as the most outstanding strategist of the modern war. This is never an accident.

Whenever we recall the days of the fierce fatherland liberation war, we have warmly felt the leadership of the respected and beloved leader who always stayed among the soldiers and people, shared life and death and weals and woes with them, and led them to the victory of the war.

The factor which decides the victory or failure of a war lies not in weapons and technology, but in the high political enthusiasm and revolutionary devotion of the army and the people that realize the validity of their cause.

Even the army and people of a small country, if they fight in a single-hearted unity around the party and the leader, can smash any aggression forces.

The respected and beloved leader's outstanding leadership art and military art with which he led the stern Fatherland Liberation War to victory is the great people-oriented leader's leadership art which arouses hundred-fold and thousand-fold the inexhaustible strength of the army and the people that treasure the nation's sovereignty and socialism like their life.

Throughout the war, the respected and beloved leader could not rest even a day or an hour bearing all the heavy burdens of the front and the rear, but he always made it a firm rule to be with the soldiers and the people. The track of the leadership of the respected and beloved leader who visited the fighting soldiers and the people from the east front to the west front, from the underground munitions factory to the rural village, pushing through the fire clouds of war was so long—perhaps tens of thousands of ri—that we can hardly measure it.

He made personal visits to the front line where fierce battles were fought and the front line headquarters, making his way through the rough roads with flashes of bombing or the dangerous area where a time-bomb could explode at any time, and aroused the commanding officers and soldiers to the annihilation of the enemy. These episodes of the great leader's energetic leadership warmly strike a chord in the hearts of our war veterans and the people even today. He often sang songs with exemplary fighters, implanting revolutionary optimism in their hearts, and was encouraged by the party members when he visited the workers' party cell meeting

seeing them debating with overflowing faith. At times he sowed seeds in the fields with farmers, arousing the people to the battle of increasing food production. The days of the great leader's energetic leadership gave birth to the strength of unity and cohesion of one-a-match-for-a hundred and a thousand of our people and army.

To save the fate of the country and the nation from crisis during the three-year war, the respected and beloved leader devoted himself to the unequaled patriotism and hard work denying himself sleep or rest without parallel in the biography of any great man or any military strategist of the world. When we think of this untold hard work and devotion, we cannot help feeling self-compunctionous for having been unable to fulfill even a fraction of the fidelity of the fighter serving the leader.

During the anti-Japanese revolutionary war, the respected and beloved leader lived away from home in the open air and the cold snowy wind with the members of his unit. During the war, he pushed through the stern trial of gunfire. Even today when he is over 80, he gives on-the-spot guidance with a noble will of serving the people. It is the consistent resolve of the first and second generations of our revolution to relieve the pains of the great leader and to uphold him as best they can. If our posterity cherishes this warm feelings of the preceding generation and fulfill their loyalty and filial duty generation to generation, we could not be more joyous.

### **3. Today, When 40 Years Have Passed Since the Victory in the Great Fatherland Liberation War, an Endlessly Bright Future Is Assured of Our Fatherland and Revolution.**

Comrade Kim Chong-il, member of the presidium of the Political Bureau and secretary of the WPK Central Committee, has noted: Today our party has broad prospects and our revolutionary struggle is all the more rewarding.

For the people and the army engaged in the revolution, the past history shining with victory is valuable, but the future assured of greater victory is even more important. Without the glorious today and tomorrow, the past exploits we achieved shedding blood is useless. There are many peoples and armies on earth that significantly commemorate the historical day of war victory defeating foreign aggressors and defending their fatherland and nation. However, there will be no people and army like our people and army that greet the 40th anniversary of war victory with great faith in the future of their revolution and with high revolutionary pride of victors.

Today we live in a most glorious era when our nation's political, economic, and military might has been strengthened more than ever before under the leadership of dear leader Comrade Kim Chong-il, and bright prospects are unfolded before the road of revolution.

As we all have understood while carrying out socialist construction and practice of military building for scores

of years, dear leader Comrade Kim Chong-il is a matchlessly great man with both literary and military achievements and with loyalty and filial duty. He is a great guiding star of the revolution who is charged with and leading the future of Korea.

Because we are upholding dear Comrade Kim Chong-il in the supreme position of the party and revolutionary Armed Forces, the great golden age of socialism has been unfolded on the land of the fatherland, and our army is highly displaying its might as one-is-a-match-for-100 revolutionary armed forces capable of defending sovereignty of the nation and people generation after generation.

Without the immortal achievements of Comrade Kim Chong-il, who brilliantly inherited the socialist cause and the cause of military building pioneered by the great leader, the future of the nation will not be as brilliant as today nor will the forthcoming 40th anniversary of war victory be a happy and joyous occasion.

We veterans see the extraordinary resource and spirit of an iron-willed brilliant commander and a great strategist peerless in the world in the tested leadership of dear Comrade Kim Chong-il, who is leading to victory the acute confrontation with the enemy which is as fierce as a war actually exchanging firing.

It is our unanimous conviction that as long as there is dear comrade leader, we can defend the life of our revolution and the nation's sovereignty to the end, even if trials more arduous than past wars may arise.

With such a joyous feeling, we will greet the 40th anniversary of war victory. Can there be greater happiness than this for our revolutionary fighters?

Today, under the wise leadership of the party and the leader, the driving force of our revolution has been incomparably strengthened. The firmness in single-hearted unity of our party and revolutionary ranks and our nation's powerful strength are further inspiring our old generation's pride in the past revolutionary course and our conviction in the future.

We are firmly convinced of the bright future of our revolution because the tradition of loyalty which the first and second generations of the revolution displayed to the full is being steadfastly carried forward in upholding the leadership of dear Comrade Kim Chong-il.

The might of the people and military who are carrying out the revolution is the might of unity and of loyalty in upholding the leadership of the party and the leader. Only the people and military, who are steadfastly carrying forward the tradition of loyalty displayed by all generations, can safeguard the dignity and honor of victors to the last.

Today our revolutionary ranks are filled with such unswerving revolutionary spirit as cherished by members of the Korean People's Revolutionary Army and by

heroic fighters of the fatherland liberation war who struggled for the great general by dedicating their youth and life to him.

It is a unanimous resolution of today's generation to render loyalty to dear Comrade Kim Chong-il to the end, just as former generations who lived and struggled with the Paektu revolutionary spirit and the Chollima revolutionary spirit.

During the past semi-war status period, more than 1 million people from various social strata, including youth of the new generation, volunteered for the army or wanted to return to active duty with a death-defying resolution to become human bombs and guns to defend the party and the leader. The whole nation rose as one by shouting the slogan of faith and of loyalty. This clearly proves how lofty our people's ideological and mental world is.

Our people invariably cherished deep in our hearts the faith that without the leader there is no nation and future. This faith is becoming even more firm with each passing day.

Because there were such excellent people who live for the leader even a moment and who dedicate their lives to the leader, our republic has never surrendered to anyone but gave a severe blow to the enemy with resolute and revolutionary reaction and activities.

In particular, the tradition of loyalty has been brilliantly inherited in our People's Army—our party's revolutionary armed forces—and it is overflowing with the militant spirit of "one-is-a-match-for-100." This is indeed our pride.

"Let us fight by dedicating our lives to the great leader and to the dear comrade leader!" This is a slogan which our People's Army upholds in its advance.

Today in our People's Army, there are eight brother-officers who shouted they will become eight rifles and eight bombs to defend our comrade supreme commander with their lives, and there are six pilots of father and sons who are safeguarding the skies of the fatherland over generations.

Soldiers of our People's Army are the revolutionary fighters who joined the army by inheriting the lofty intentions of the anti-Japanese revolutionary martyrs and of heroic fighters of the Fatherland Liberation War who dedicated their precious youth to achieving today's victory. This is why our army does not waver even if the imperialists may wield nuclear weapons and nor is it afraid of war even if the imperialists may trigger.

We are fully optimistic about the prospect of our arduous revolution because the whole party and the whole society are overflowing with the spirit of hard struggle displayed in the past, the spirit of forcing the way through marshes and crossing river in flames.

As history of arduous struggle in our revolution shows, invincibility is not easy to achieve. Without going through the course of hard and arduous struggle to rise and fight 100 times even if they fall 100 times, we cannot talk about ever-victorious invincible feats.

War veterans and our old generations have not forgotten how fiercely and arduously the past Fatherland Liberation War was carried on and how arduous struggle they have carried out to win victory of the war.

Our people and fighters of the People's Army had to wage a do-or-die battle that time by anticipating sacrifice even for an inch of land. Blood of fighters of the People's Army and people permeated everywhere in battlefields of the Fatherland Liberation War, including the Han River, Naktong River, Wolmi Island, and Hill 1211.

Many heroes, both renowned and unheralded, including Yi Su-pok, Han Kye-yol, Kang Ho-yong and Cho Kun-sil, are the incarnation of unwavering faith showing how one should fulfill the mission of revolutionary fighters during the time of arduous trial.

The unwavering, indomitable revolutionary spirit they displayed is still animated in the hearts of the people of our generation and of soldiers of the People's Army.

Today our people and soldiers are leading an unwavering life with conviction in sure victory even amid the imperialists' increasingly vicious antisocialist maneuvers. They are advancing by more vigorously singing the song of revolution and struggle.

It is a resolute determination of today's generation to firmly defend socialism of our own style with unwavering spirit of sacrifice, just as artillery men in the coast of Wolmi Island who courageously fought until the last drop of their blood during the war, and just as heroic fighters who defended the land with blood by upholding the beacon fire of "the movement for my own hill."

We can proudly say that the ever-victorious invincible slogans that our people and army shout are not empty words at all.

The generations of any country that experienced bloody fights against the imperialist enemy had great revolutionary zeal. What matters is how the revolutionary zeal is adhered to by ensuing generations. In our country, everyone lives and struggles in a heroic manner while reflecting on whether old and young generations live in the manner of those days of war and whether they work with the same spirit that was displayed with the reconstruction of ruined land.

As long as these excellent people and the army exist, no one need be concerned about the prospects for our socialism. We have firm faith in the bright future of our revolution also because of the proud reality in which our people and army are creating a new history of unity between the army and the people.

The ideology of the unity between the army and the people, which was presented by the great leader during the anti-Japanese struggle and which was embodied generally in the grave days of war, is fully advancing to a new and higher stage today under the leadership of dear Comrade Kim Chong-il.

Our society is characterized by single-hearted unity where the most solid, blood relations between the army and the people has been realized. The people devote themselves to saving the army from great straits, and the army plunges into deep waters without hesitation to save the people's lives and property. This is usual in our society. We are very proud that relations between our army and people have reached this high level today, which is not wartime with pouring bullets and bomb-shells.

An army is supposed to implement the sublime mission to defend its fatherland while trusting its leader and people whether in peace or in war. Our People's Army soldiers have their affectionate comrade supreme commander, who always takes care of them and puts them at the front like their own father, and have the people who help them wholeheartedly by devoting everything they have to them with warm love as they do their own families.

Bearing deep in their minds the great honor and happiness of being the best army of the great leader and people, our People's Army officers and men will brilliantly implement their sublime mission in the struggle to defend socialism of our own style.

The 40th anniversary of 27 July, the second liberation day of our nation, is drawing near. We war veterans and the people cannot help but feel deep emotion whenever we picture the scene of submitting, on the felicitous day, a report of loyalty retaining the unanimous pledge of all revolutionary fighters to Comrade Kim Chong-il, our supreme commander, just as we submitted the report of victory to the great leader in the square of victory in the war 40 years ago. The pledge is an iron-firm pledge of faith by Korean communists who trust and follow their leader and their leader to the last at the risk of their lives.

Let us all deeply bear the great dignity and pride of upholding the dear leader Comrade Kim Chong-il, an outstanding strategist of our age and an iron-willed and sagacious general, and protect, defend, and glorify the chuche socialist cause to the last.

Hurrah for the 40th anniversary of the great victory in the Fatherland Liberation War, a grand felicitous festival of chuche Korea!

**KCNA Reviews Pyongyang Press for 20 Jul**  
SK2007051493 Pyongyang KCNA in English 0430  
GMT 20 Jul 93

[Press review]

[Text] Pyongyang, July 20 (KCNA)—Papers here today carry a photo-accompanied report that the great leader President Kim Il-song received the family of Comrade Zhang Weihua and a report that the dear leader Comrade Kim Chong-il was presented with a gift by the family.

Printed in papers is a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to President Cesar Gaviria Trujillo on the occasion of the independence day of Colombia.

President Kim Il-song's work "Non-Aligned Information Services Must Contribute to the People's Cause of Independence" was reported in different countries and Comrade Kim Chong-il's work "Abuses of Socialism Are Intolerable" was published in booklet in India, says NODONG SINMUN.

Highlighted in the press is news of the discovery of revolutionary relics related to the on-the-spot guidance of President Kim Il-song in the frontline area of Kangwon Province during the fatherland liberation war.

NODONG SINMUN devotes one whole page to an article headlined "People's Army With Iron-Willed Brilliant Commander Will Always Emerge Victorious" contributed by Choe Kwang, chief of the General Staff of the Korean People's Army.

It is reported in the daily that officials and workers of light industrial and public service offices and facilities in Pyongyang visited units of the People's Army on the threshold of the 40th anniversary of the victory in the war.

Papers report about the innovations effected by working people in different domains of the national economy in production and construction with the approach of the anniversary.

Papers devote much space to articles on the heroic feats performed by veterans in the struggle to defend the independence of the country and the sovereignty of the nation and safeguard the gains of revolution.

Given in papers is an account of the opening of a national photo exhibition to mark the 40th anniversary of the victory in the fatheland liberation war.

The press informs the readers that a Zambian Government delegation led by the vice-president will pay a visit to Korea to participate in the celebrations of the anniversary.

Papers give accounts of functions held in different countries on the Korean people's war victory day.

NODONG SINMUN conveys the reaction of the South Korean press to the 10-point programme of the great unity of the whole nation.

South Korean news columns of the press include reports that 63 organisations in Kwangju and South Cholla

Province rejected the U.S. pressure for the liberalisation of rice import and an opposition party called for investigation into the illegal fortune-piling of Chon Tu-hwan and No Tae-u.

**NODONG SINMUN** comes out with a commentary denouncing the South Korean rulers for openly covering up the crimes of Chon Tu-hwan and No Tae-u.

Echoed in the daily are world public voices on Korean-style socialism.

Papers observe the independence day of Colombia.

Reported in the press is that the Liberal Democratic Party was defeated in the elections to the House of Representatives of Japan and Indonesia demanded of Japan compensation for the labour forced by the Japanese occupation troops during World War II.

**NODONG SINMUN** reports that the Tanzanian president called for an establishment of the East African community, the leader of the Islamic revolution of Iran denounced the U.S. hostile policy and the Lebanese prime minister declared the stand of Lebanon toward the Middle East peace conference.

The daily deals with the serious crisis in the U.K.

### South Korea

#### Reportage on U.S.-DPRK Talks Continues

##### 18 Jul Prospects Said 'Murky'

*SK1907011193 Seoul YONHAP in English 0027 GMT  
19 Jul 93*

[Text] Geneva, July 19 (YONHAP)—Prospects for the resumption of U.S.-North Korean high-level talks on the nuclear issue remained murky Sunday night as the delegates awaited instructions from their home governments.

Even if they decided to resume their talks, the second meeting could not take place before Tuesday, informed sources said.

"Chances of holding a follow-up meeting are 50-50," a reliable diplomatic source said Monday.

As of early Monday morning, there was no change in the position of the two countries from where they stood at the end of Friday's talks, the source added.

The United States and North Korea failed to reach any agreement Friday in seven hours of talks mainly on issues of the International Atomic Energy Agency's [IAEA] inspection on North Korea's nuclear facilities.

Chief delegates Robert Gallucci of the United States and Kang Sok-chu of North Korea both issued a verbal statement following Friday's meeting and said they would decide whether to resume the talks after consulting with their respective governments.

On Friday, the United States said it "hoped" and North Korea said it "anticipated" the second meeting on Monday.

If the talks resume, therefore, it means there is a possibility for the two sides to reach a certain kind of resolution. If, on the other hand, the second meeting fails to materialize, it means the high-level talks have broken down, the source said.

At the end of Friday's talks, Kang, first North Korean vice foreign minister, and Gallucci, assistant U.S. secretary of state for political and military affairs, refused to disclose details of their seven-hour talks.

They merely said whether to hold a third meeting would be decided after consulting with their governments.

Earlier, at the end of the morning session Friday, both Kim and Gallucci said they had agreed to meet again at the U.S. mission here on Monday.

One of the reasons for the sudden turn around, it has been reported, involved a difference of opinion with regard to a North Korean request for U.S. help to convert its nuclear program from the present one using gas-cooled reactors to a more advanced system using light-water reactors.

But the talks apparently have bogged down over more basic issues rather than such details as the type of reactors, the source said. This source refused to deny a U.S. newspaper report that North Korea told the U.S. side at the last moment Friday that it could not guarantee the acceptance of IAEA inspections.

The talks had progressed on a hopeful note until then with North Korea indicating it was willing to negotiate with the IAEA on inspections and that it will also hold discussions with South Korea on the denuclearization of the Korean peninsula.

### Seoul's Reaction to Talks Viewed

*SK1807054693 Seoul CHUNGANG ILBO in Korean  
17 Jul 93 p 5*

[Article by reporter Pak Ui-chun: "Our Government's Reaction to U.S.-North Korea Talks"]

[Text] The government's reaction has become very circumspect after the second U.S.-North Korea talks in Geneva.

After the first talks, the government showed a cautious optimism, stating that "an occasion was being provided for making progress in discussions at the second talks." However, immediately after the second talks, the government stood back a step, saying that "the positions of both sides appear to be really [wonak] hard."

A Foreign Ministry official explained that differences in views between the United States and North Korea were clearly revealed during the second talks as people had expected.

In other words, North Korea merely hinted on the possibility of accepting the inspection while putting off a definite promise for the inspection. North Korea also attempted to obtain clear commitment from the United States to improve relations by increasing the number of negotiation times. On the other hand, the United States clarified its position that only when North Korea explicitly shows its willingness to accept nuclear inspections, can the issue of improvement of relations be discussed, thus putting forward a conditional "carrot."

Therefore, it seems difficult that the United States and North Korea reach an agreement on concrete methods concerning the issue of inspections by the International Atomic Energy Agency [IAEA]. Meanwhile, there is a great possibility that the Geneva talks would be settled only by drawing a promise from North Korea to begin discussions on compliance with the nuclear safeguards accord for the resumption of nuclear inspections.

In this connection, a Foreign Ministry official stated that "the Geneva talks were not designed for a complete resolution of the nuclear inspection issue," and revealed that "the U.S. side's basic position is to provide a foundation for solution of the inspection issue by taking the North Korean position into consideration."

However, relevant government authorities observed that there is a great possibility that North Korea, just as it presented a "card" on withholding its withdrawal from the Nuclear Nonproliferation Treaty [NPT] after persisting to the last at the past New York talks, will express its readiness to accept nuclear inspections by presenting certain preconditions after dragging on time.

In particular, the relevant Foreign Ministry officials, noting that the "atmosphere of the second-round talks was similar to the first talks," did not attempt to conceal the fact that the talks in Geneva are heading for the settlement of the inspection issue.

They also observe that the two sides' tentative agreement on holding another round of talks means a certain progress made during the first and second talks.

Therefore, the next talks slated for 19 July will be an occasion for finally reviewing what has been discussed and agreed on up to now and for announcing the results of such discussions and agreements.

Then, why did the United States decide to have another round of talks instead of finalizing the negotiations over the North Korean nuclear issue during the 16 July talks? This could mean that new obstacles are laid on their road.

However, the ROK Foreign Ministry observes there is a great possibility that North Korea, having narrowed the difference of views to a considerable extent, wants to have time to consult with the government of its home country. Besides, if North Korea merely tried to drag on time by making an issue on IAEA's impartiality and objectivity without making any concession over the issue

of nuclear inspection, the United States would not have decided to hold any more talks.

The government is concerned with the possible interruption in solving problems when its comments, when presented, are conveyed in a wrong way while North Korea is "tuning in harmony" with the government of its home country in the wake of the last talks. Therefore, the government is taking a very cautious attitude.

At any rate, success in Geneva talks will be decided on only after the 19 July talks. However, the view favoring "prudent optimism" is superior within the government at present.

#### Seoul Welcomes Talks Results

SK2007031393 Seoul YONHAP in English 0258 GMT  
20 Jul 93

[Text] Seoul, July 20 (YONHAP)—Seoul welcomed the results of the North Korea-U.S. nuclear talks in Geneva on Tuesday, but said that it will be watching closely whether Pyongyang comes forth with concrete action to keep its promise.

"The government notes the results of the North Korea-U.S. contacts as important progress in solving North Korea's nuclear problem," a Foreign Ministry spokesman said in a reaction statement. North Korea "chose the right direction" by agreeing to the need for a nuclear non-proliferation regime and confirming the importance of implementation of fullscope safeguards with the International Atomic Energy Agency (IAEA) and inter-Korean agreement for denuclearization of the Korean peninsula, the spokesman said.

"The government will be closely watching whether North Korea takes speedy and concrete measures for complete and sincere implementation of its international obligation and inter-Korean denuclearization agreement. It especially expects North Korea to open contact with the IAEA and South Korea," he said in his statement.

Seoul will continue with internationally coordinated consultations as well as cooperation with the United States until the North Korean nuclear problem is fully resolved, the spokesman said.

#### 'Progress' of Talks Analyzed

SK2007030893 Seoul YONHAP in English 0254 GMT  
20 Jul 93

[“News Analysis” by Yi Tong-min: “Geneva Talks Make Small But Significant Progress”]

[Text] Seoul, July 20 (YONHAP)—“Small but significant progress” is South Korea’s description of the outcome of Monday’s North Korea-U.S. nuclear talks in Geneva.

The high-intensity talks brought North Korea’s nuclear problem back to the starting point of March 12, when the

communist regime announced that it was pulling out of the Nuclear Non-Proliferation Treaty (NPT) in retaliation for demands by the International Atomic Energy agency (IAEA) for a special inspection of two undeclared nuclear sites.

The progress was "small" for cautious observers because the joint press statement at the end of the Geneva talks says nothing specific about North Korea's willingness to allow inspection of the two sites. But the surrounding situation is certainly different from then.

The United States sat down to an unprecedented series of high-level talks with North Korea and officially announced, in a joint press statement with Pyongyang, that they will be meeting again to "lay the basis for improving overall relations between (North Korea) and the United States."

At Pyongyang's insistence, Washington also announced that it was "prepared" to introduce light water reactors, which are safer and easier to inspect, in North Korea.

In essence, the exchange was U.S. promises for North Korean adherence to broad principles. The highlight for optimists, who call the Geneva results "significant," is that Pyongyang agreed to resume talks with the IAEA on continuing nuclear inspections.

If the New York talks succeeded in getting North Korea to "suspend" its NPT withdrawal, then the Geneva meeting succeeded in getting North Korea to fully return to the NPT regime and abide by its obligations with the IAEA. But the fundamental problem remains—IAEA access to the two undeclared sites.

"Although the two sites are not specifically mentioned in the joint press statement, Washington said inspection of them was an indelible part of North Korea's discussions with the IAEA. Pyongyang left the table knowing this," a Foreign Ministry official said.

Pyongyang made clear it will not accept IAEA special inspection of the two sites as demanded, sources said, and Washington has described possible "variations" to special inspection, suggesting that the agency's ad hoc inspection team be casually given access to the suspected installations, or that North Korea could "add" information on the installations to its initial report to the IAEA.

"The United States described available options. Pyongyang will choose among them and discuss details with the IAEA," one well-placed source said.

The situation is far from over—the coming couple of months will be as critical as the last few months with a number of uncertain variables.

North Korea first has to finalize arrangements for IAEA inspections of the two sites. Then Seoul and Pyongyang have to find acceptable grounds to resume inter-Korean dialogue. With the South Korean Government still bent on limiting South-North talks to nuclear issues, an inter-Korean breakthrough may not be easy.

North Korea and the United States agreed to meet again in the "next two months," and the above are basic requirements. Seoul and Washington will be needing close consultations to determine if and when the requirements are met, allowing the United States to carry out its promises.

**U.S. State Department Statement Noted**  
SK2007024693 Seoul YONHAP in English 0224 GMT  
20 Jul 93

[Text] Washington, July 19 [date as received] (YONHAP)—The United States will not hold the next round of talks with North Korea until Pyongyang begins serious discussions with the International Atomic Energy Agency (IAEA) and with South Korea, the State Department said Monday [19 July].

In a unilateral statement issued here Monday night, the State Department said that "we would not expect to begin a third round of U.S. talks with (North Korea) until serious discussions" between North Korea and the IAEA and between North and South Korea are under way.

The statement was issued after the United States and North Korea reached agreements on the North Korean nuclear issue in Geneva earlier in the day.

"We have also made it clear that our dialogue cannot continue if North Korea withdraws from the Nuclear Nonproliferation Treaty [NPT], engages in additional reprocessing, or fails to accept regular IAEA inspections necessary to maintain the continuity of safeguards," the statement said.

North Korea has announced that it is prepared to abandon its graphite moderated reactors and associated facilities in favor of Light Water Reactors (LWRS), which are less suitable for nuclear weapons material production, the statement said.

In the next round of U.S.-North Korea talks, it said, the United States had agreed to include discussions on this issue.

The United States supported the conversion to LWRS as part of a final resolution of the North Korean nuclear issue, the statement said.

But the United States could not engage in any peaceful nuclear cooperation with North Korea or support others in assisting North Korea until North Korea had unambiguously complied with its nonproliferation obligations, including the NPT, IAEA, and the bilateral North-South declaration, it said.

Sale of a power reactor would involve complex financial and legal matters which, it said, would have to be addressed at an appropriate time in the future.

"Nonetheless, we believe that our long-term nonproliferation objectives will be served by beginning to explore ways for the DPRK (North Korea) to make a conversion

to LWRS once it is in full compliance with its nonproliferation obligations," the statement said.

#### U.S.-DPRK Talks Results Detailed

SK2007014693 Seoul YONHAP in English 0104 GMT  
20 Jul 93

[Text] Geneva, July 20 (YONHAP)—North Korea agreed Monday to begin consultations with the International Atomic Energy Agency [IAEA] on IAEA inspection of its nuclear facilities.

The agreement came in the third day of high-level talks between North Korea and the United States here Monday night. U.S. Assistant Secretary of State for Political and Military Affairs Robert Gallucci represented the United States and First Vice Foreign Minister Kang Sok-chu headed the North Korean delegation.

In a joint statement issued after the talks, the two countries said they had agreed that full and impartial application of IAEA safeguards was essential to accomplish a strong international nuclear nonproliferation regime.

"On this basis, the Democratic People's Republic of (North) Korea is prepared to begin consultations with the IAEA on outstanding safeguards and other issues as soon as possible," the statement said.

The two sides also reaffirmed, it said, the importance of the implementation of the South-North joint declaration on denuclearization of the Korean peninsula.

Talking to reporters, Kang said the agreements opened the way to a summit between North Korean President Kim Il-song and South Korean President Kim Yong-sam on bilateral issues "including the nuclear problem." North Korea said it remained prepared to begin the North-South talks as soon as possible on bilateral issues, including the nuclear issue, the statement said.

The United States and North Korea recognized the desirability of North Korea's intention to replace its graphite moderated reactors and associated nuclear facilities with Light Water Moderated Reactors, it said.

The United States was prepared to support the introduction of Light Water Moderated Reactors (LWRS) and to help North Korea obtain the LWRS, the statement said. It said the two sides had agreed to meet again in the next two months to discuss outstanding matters related to resolving the nuclear issue, including technical questions related to the introduction of LWRS.

The two countries will also try and lay the basis for improving their overall relations, it said.

At a news conference, Kang was asked whether North Korea still might withdraw from the NPT [Nuclear Nonproliferation Treaty]. That depended, he replied, on the degree to which the nuclear threat to (North Korea) and the partiality of the IAEA will be eliminated.

Kang said his country expected the United States to try to improve the security situation on the Korean peninsula and referred to the joint U.S.-South Korean military exercise "Team Spirit," which Pyongyang wants to see scrapped. But there was no indication from the U.S. side that Washington had given North Korea any commitment on cancelling Team Spirit.

Gallucci said the United States would be looking for progress in the North Korean contacts with the IAEA and the South before setting a date for further talks on outstanding matters, including the nuclear issue. He said the United States expected North Korea to move toward agreeing with the IAEA to let the U.N. agency inspect the nuclear complex in Yongbyon, north of Pyongyang, where there are two suspected nuclear facilities.

#### 'Agreement' Reached on Yongbyon

SK2007011293 Seoul KBS-1 Radio Network in Korean  
2200 GMT 19 Jul 93

[Excerpt] The United States and North Korea held the third round of their second phase of high-level talks at the U.S. Mission in Geneva at 0200 this morning [1700 GMT 19 July]. They reached an agreement on the International Atomic Energy Agency [IAEA] inspecting North Korea's Yongbyon nuclear facilities.

Correspondent Yi Pyong-sun in Geneva will speak more about this.

[Begin Yi recording] The most important part of today's agreement is the opening of a way to conduct special inspections of Yongbyon nuclear facilities. At a news conference held after the third round of contact today, the United States and North Korea announced that they shared the view that conducting IAEA nuclear inspections in a complete and fair manner is essential for nuclear nonproliferation. Accordingly, North Korea expressed readiness to immediately negotiate with the IAEA on all problems pertaining to nuclear inspection.

In other words, North Korea agreed to begin consultations with the IAEA on overall issues, including the IAEA's demand for North Korea to offer additional information on two unregistered nuclear-related sites in Yongbyon and allowing the visit to these sites. The IAEA's demand entails special inspections.

North Korean chief delegate Kang Sok-chu speaks: [Begin Kang recording] We hope that a nuclear threat is not posed to us, and in particular, nuclear weapons should not be used as a means to implement the DPRK-U.S. joint statement, and forward-looking actions should be taken for the nuclear safeguards, for ending the Team Spirit exercise, and for other issues. [end Kang recording]

North Korea admitted the need to replace the heavy-water reactor-related nuclear facilities with a light-water reactor which has a very low risk of being used for nuclear development.

In addition, North Korea expressed its preparedness to resume North-South talks as soon as possible to deal with North-South relations including the nuclear issue.

The United States accepted North Korea's demand that follow-up talks be held in two months with a view to providing a foundation for overall improvement of relations with the United States. The United States also promised to continue discussion of pending problems in order to resolve the nuclear issue, including the technological issue concerning North Korea's introduction of a light-water reactor.

However, the United States clarified that third-phase talks cannot be expected before obligations stipulated by the Nuclear Nonproliferation Treaty [NPT] and IAEA are clearly fulfilled, and before North Korea begins dialogue with the ROK at an early date.

The United States also made it clear that in the event that North Korea again withdraws from the NPT or additionally carries out the work of reprocessing plutonium and in the event that North Korea refuses to accept the essential nuclear inspection according to the IAEA's safeguards accord, the United States will refuse dialogue with North Korea.

The United States stressed that the ROK is still entitled to conduct exercises required for its self-defense, meaning that the Team Spirit exercise will continue. [passage omitted on reporter's speculation on North-South summit talks] [end Yi recording]

#### DPRK Agrees To Resolve 'Special Inspection'

SK1907230893 Seoul KBS-1 Radio Network in Korean  
2100 GMT 19 Jul 93

[By KBS correspondent from Geneva]

[Text] The United States and North Korea concluded their talks in Geneva early this morning [Korea time]. During the talks, North Korea agreed to recognize the need [pilyosongul injonghago] for a special inspection and try to solve relevant issues in cooperation with the United States in order to dispel suspicions of nuclear development.

At around 0300 [1800 GMT] this morning, North Korea and the United States ended their third round of talks and issued a letter of agreement during their news conference.

North Korea said that it would replace heavy-water reactors in Yongbyon with light-water reactors to dispel suspicion about nuclear development, and that it would start negotiations with the International Atomic Energy Agency at the earliest date in order to resolve the special inspection issue. North Korea also promised that it will begin the North-South talks as early as possible to achieve denuclearization on the Korean peninsula.

The United States promised that it will continue negotiating with North Korea in the future concerning

pending issues, including the technological issue [kisul-jogmunje] regarding light-water atomic reactors [kyong-surowonjaro] that North Korea will import [pukhan i toiphal]. Also, the United States agreed that it will hold further talks with North Korea within the next two months in order to build a foundation for improving overall relations with North Korea.

#### DPRK Gives Accord 'Preconditions'

SK1907125793 Seoul KBS-1 Television Network in Korean 1220 GMT 19 Jul 93

[By correspondent Cha Man-sun from Vienna]

[Text] A high-level International Atomic Energy Agency source has stated that at the Geneva talks, North Korea presented six new preconditions for sincerely implementing the nuclear agreement. They are: The United States will, first, guarantee the nonuse of nuclear weapons in a document signed by the two sides, second, declare the nondeployment of nuclear weapons on the Korean peninsula, third, declare an end to the Team Spirit exercises and other large-scale ROK-U.S. military exercises, fourth, replace the Armistice Agreement with a peace agreement, fifth, scratch North Korea from the list of countries assisting terrorism, and, sixth, support the confederal republic of Koryo reunification proposal.

A diplomatic source said: It will be difficult for the United States to accept three conditions, including a request to scratch North Korea from the list of countries assisting terrorism. Therefore, the Geneva talks seem to be deadlocked.

#### Light-Water Reactor Plan Said Kim Il-song's Idea

SK2007073493 Seoul YONHAP in English 0720 GMT  
20 Jul 93

[Text] Seoul, July 20 (YONHAP)—North Korea's proposal that the United States support its conversion to light water moderated reactors was the idea of President Kim Il-song, a South Korean Government official said on Tuesday.

Kim instructed Kang Sok-chu, head of the North Korean delegation to the high-level talks with the United States, to propose the switch from graphite reactors at the end of the first round of talks with the United States in New York last month, he said.

"I've heard that Kang proposed to (Robert) Gallucci, head of the U.S. delegation, the replacement of its reactor type at the luncheon meeting held shortly after the first round of bilateral talks finished on June 12. He reportedly told Gallucci that it was the will of President Kim Il-song," the official said.

"North Korean Vice Foreign Minister Kang asked for U.S. support for the reactor replacement, saying that it was a 'new and bold' proposal by North Korea."

At the second round of North Korea-U.S. high-level talks on Monday, the United States and North Korea issued a statement that recognized the desirability of North Korea's replacement of its graphite moderated reactors and associated nuclear facilities with light water moderated reactors.

According to a government source, if tangible progress toward a solution of North Korea's nuclear problem comes before the third round of talks, expected in two months, the United States is likely to raise the status of its delegate to the level of undersecretary.

The United States is also likely to begin political talks on improving relations with North Korea, the source said.

#### DPRK 'Expected' To Hold Talks With IAEA

SK2007065393 Seoul YONHAP in English 0624 GMT  
20 Jul 93

[Text] Seoul, July 20 (YONHAP)—North Korea is expected to hold negotiations with the International Atomic Energy Agency (IAEA) around the end of this month to set the time and method of IAEA inspection of its nuclear facilities, a South Korean Government source said Tuesday.

If North Korea's talks with the IAEA proceed smoothly and the IAEA carries out the inspection, there is a possibility that the United States and North Korea will have the third round of their high-level meeting to discuss problems aimed at improving bilateral relations as early as next month, the source said.

Hans Blix, IAEA director general, was reported to have sent a telegram to North Korea last week, proposing to Pyongyang that it hold negotiations with the IAEA on the inspection as soon as possible.

A South Korean Government official said that he believed negotiations between Pyongyang and the IAEA would be realized soon in view of Blix's proposal and North Korea's promise to the United States at the Geneva talks Monday that it would do so at an early date.

"There is also a possibility that Washington and Pyongyang would resume their high-level talks in August if the problems of IAEA and mutual inspection of nuclear facilities with South Korea are resolved," the official said.

The IAEA and North Korea will hold intensive discussions on inspection of the five-megawatt reactor in the Yongbyon nuclear complex and two other unreported sites in the area which were suspected of being nuclear facilities, the official said.

Both the United States and South Korea hold the position that the IAEA's inspection of those two suspected sites need not take the form of a "special inspection" as

long as IAEA experts could clear up the suspicion that North Korea was developing nuclear weapons there, the official said.

#### Prime Minister To Chair Session on DPRK

SK2007055893 Seoul KBS-1 Radio Network in Korean  
0400 GMT 20 Jul 93

[Text] As the United States and North Korea have agreed on the principle of resuming North-South dialogue for the implementation of the Joint Declaration on Denuclearization of the Korean peninsula at the Geneva talks, the [ROK] Government plans to work on its strategy for negotiations with the North, including ways to resume North-South dialogue, soon.

The government plans to hold a high-ranking strategy session chaired by Prime Minister Hwang In-song tomorrow [21 July] to analyze the outcome of the U.S.-DPRK Geneva talks and discuss countermeasures. Basic government policy for holding discussions on the issue of North-South mutual inspection is to reopen the meetings of the North-South Joint Nuclear Control Committee [JNCC] which were suspended last January. Thus, the government plans to form a JNCC around the appointed chairman, as soon as possible.

The government predicts that North-South working-level delegates' contacts, which were aborted due to differences in the two sides' positions, will be able to be held because of the breakthrough the Geneva talks has provided for resolving the nuclear issue. A position of maintaining a flexible stance may be adopted in order to make dialogue successful.

The government, however, also predicts that while the Geneva talks have provided a clue for resolving North Korea's nuclear issue, it cannot rule out the possibility of North Korea's resorting to its strategy of playing for time by delaying dialogue with the International Atomic Energy Agency or our side. Accordingly, the government plans to prudently cope with North Korea's change in attitude and to further strengthen international cooperation with countries such as the United States.

#### Daily Views U.S. President's New Asian Policy

SK1707121093 Seoul TONG-A ILBO in Korean  
17 Jul 93 p 5

[Article by Pak Kun, professor of Hanyang University and former ROK ambassador to the United Nations: "U.S. President Clinton's New Asian Policy"]

[Text] In his speech to the ROK National Assembly on 10 July, U.S. President Clinton said: "We must and we will continue to lead—the imperative of America's leadership will remain."

There is a valid reason for President Clinton, who has emphasized settling current domestic affairs, to speak

such words that are characteristic of an active internationalist. We can say the overall international situation and the situation in Northeast Asia have made him change.

#### Opposition to the Creation of Security Institution

There are several problems being created in Northeast Asia which are strange phenomena resulting from the cold war's end. First, there is North Korea's nuclear weapons development. This is one of the unforeseen by-products that has emerged with the collapse of the former Soviet communist system. Various mass destruction weapons are being proliferated in this region. For instance, North Korea's new type Nodong-1 missiles pose a threat to Japan. In addition, North Korea's export of missiles to the Middle East aggravates tensions there.

Under these circumstances, various impracticable proposals for regional security and cooperation have been recently made resembling the popping up of numerous mushrooms after a rainstorm. These proposals include creating the Councils for Security and Cooperation of Asia, the Economic Zone in the East Sea, the Economic Zone in the West Sea, and the East Asian Economic Council. The common characteristic of these proposals is to either diminish or renounce the role of the United States in this region based on the exclusion principle [cheoejuui].

The most important problem is that China has rapidly promoted its economic and military development while adhering to the communist system. The United States has many perplexing problems concerning this: How does the United States handle China, a potential superpower? How does the United States deal with China when it is a likely future competitor of Japan for gaining supremacy in Asia? Is there any way to deal with such competition?

Cries of 'chicken' that indicate the advent of the 21st century Asia-Pacific Era have been echoed throughout the world. The United States, as a Pacific country, must hear this cry and be aware of the need for a rapid and brave reaction to it.

President Clinton's new Asian Policy, issued during his visit to the ROK and Japan, can be considered a U.S. reaction to the above-mentioned situation. The core of the policy is the proposal for creating a new Pacific community.

In his speech at Waseda University in Japan, President Clinton put forward the economic policy of a new Pacific community. He also announced the security policy of the new Pacific community in his speech to the ROK National Assembly.

President Clinton has shown that he opposes the creation of the comprehensive and collective security institution in Asia. He opposes the institution because its creation in Asia is not needed with the former USSR being eliminated as a source of danger.

President Clinton believes that the institution does not need to be created in Asia because in this region there are no dialogue institutions—such as the Council for Security and Cooperation of Asia—nor confrontation organizations, such as the North Atlantic Treaty Organization and the Warsaw Treaty Organization.

He believes that the security of the new Pacific community can be ensured by a bilateral cooperation system between the United States and Asian countries—such as the ROK, Japan, Australia, Thailand, and the Philippines—and by the U.S. military capability, including its forward troop deployment in Asia.

He has proposed, however, the creation of a collective dialogue institution to deal with all kinds of security issues. An expanded meeting of ministers of ASEAN countries is one of those dialogue channels. He believes that the current function of the summit talks of the Asia-Pacific Economic Cooperation [APEC] will perform the role of a security dialogue [anbodaehwa] in the future. He has mentioned new dialogue plans [saedaehwagusang] to discuss weapons of mass destruction, including the need of dialogue between relevant countries concerning the nuclear issue.

Of utmost importance is that he seems to believe that such dialogue institutions will not endanger allied relations between the United States and Asian countries but will rather play a role in strengthening their relations. In other words, it is the U.S. position to take the lead in discussing the security issue.

#### Abandoning His Policy of Isolating China

The economic policy of the new Pacific community is also based on mutual cooperation between the ROK and the United States and between the United States and Japan. President Clinton is likely to strengthen the umbrella organization [usanjojik], the so-called APEC, based on the economic policy of the new Pacific community. It is too early, however, to assess whether APEC will be the core of the new Pacific community in the future, or whether the economic cooperation and security ties between the three countries—the ROK, the United States, and Japan—will perform the function of the community. Although APEC will become stronger in the future, its core will be the ROK, the United States, and Japan.

President Clinton said that the economic common denominator of the new Pacific community is the open free market economic system, and that its political common denominator is freedom, human rights, and democracy. This means that he will try to develop the community into a united body of free and democratic countries. Therefore, he seems to believe that APEC and NAFTA [North American Free Trade Agreement] can be ultimately merged in the future.

President Clinton's policy toward China is very simple and clear. He will encourage China to participate in the new Pacific community rather than isolate itself from it.

In other words, he will try to make China live together with other Asian powers by being a part of the new Pacific community. He believes that this is an effective way to check China as well as aid its development. I also think that this is the best and most effective way to democratize China and to make it become a country that contributes to peace.

President Clinton's new Asian policy put forward the common goal of the three countries of the ROK, the United States, and Japan which are moving forward into the 21st century. We do not know how the community will develop in the future, but it is certain that the three countries—the ROK, the United States, and Japan—will make up its core.

Here lie the new challenges and tasks of our diplomacy. One of the tasks is to provide an opportunity to North Korea to participate in the community with the settlement of the North Korean nuclear issue.

#### BAI Urges Collection of Rent From U.S. Embassy

SK2007091693 Seoul YONHAP in English 0907 GMT  
20 Jul 93

[Text] Seoul, July 20 (YONHAP)—The Board of Audit and Inspection [BAI] urged a government office on Tuesday to collect rent from the U.S. Embassy building near Sejong-ro, Seoul. The board, the government watchdog office, told the Ministry of Culture and Sports which is responsible for managing the American Embassy building, to work out steps to collect rent from the embassy building.

The board said that there is no legal ground to exempt state-asset rent for the U.S. Embassy building.

During its general inspection of the ministry on June 14-21, the board noted that the Korean Government earlier allowed the U.S. aid organization—first the U.S. Operations Mission (USOM) and its successor, USAID-K—to use the building for free of rent. "Now that the American aid organization has completely withdrawn from Korea, there is no legal ground to exempt rent for the U.S. Embassy which has been using the building since Oct. 1, 1980," the board pointed out.

The board told the Culture and Sports Ministry to take steps to collect rent from the U.S. Embassy in consultation with the Ministry of Finance which is in overall charge of the management of government properties.

The twin buildings, one of which is being used by the American Embassy, were built in 1961 with 14 million dollars invested by the Korean Government and 2 million dollars put up by the USOM.

A BAI official said, "In view of the friendship existing between our two countries, we did not tell the ministry to collect back rents but we simply asked it to collect rent in the future." The official added that he understands the Foreign Ministry and U.S. Embassy officials have been discussing the rent issue for some time.

#### BAI Urges Speed in Obtaining U.S. KFP Data

SK2007074593 Seoul YONHAP in English 0641 GMT  
20 Jul 93

[Text] Seoul, July 20 (YONHAP)—The Board of Audit and Inspection (BAI) has called on the Foreign Ministry to move faster to obtain materials from the United States concerning the Korea Fighter Project (KFP), a BAI official said Tuesday. The BAI, which is investigating alleged irregularities in the KFP, wants materials from the General Accounting Office (GAO) and the Defense Department.

"I know that the Korean Government officially asked the U.S. Government to hand over the materials through unofficial diplomatic channels last week, but the U.S. Government has made no response yet," the official said. "The BAI will wait for some time, staying in contact with the Foreign Ministry, but if the U.S. Government does not give us the materials within a set time we shall finish our investigation," the official said.

The BAI wants material such as purchase contracts, conditions of payment and rebates from 10-odd U.S. arms manufacturers as well as data from a GAO investigation of the KFP.

#### Seoul To Ban Labor Activities at Hyundai Motor

SK2007090893 Seoul YONHAP in English 0809 GMT  
20 Jul 93

[Text] Ulsan, South Korea, July 20 (YONHAP)—Assistant Labor Minister Choe Sung-pu notified Hyundai Motor Co. management and labor Tuesday of the government's decision to invoke its emergency powers to ban all labor activities in the nation's largest auto plant.

Choe met with company President Chon Sung-won and Union Representative Pak Pyong-yong and advised them to continue their talks and reach an agreement before the problem was passed along to the Central Labor Committee.

There remained room for a peaceful solution as the central committee was unable to start mediating until early next week because it needs time to complete legal procedures and form a team of regulators.

Committee Chairman Kim Yong-cho said he would begin action to settle the strife at Hyundai Motor by Saturday at the earliest after designating three coordinators by Wednesday. The company and the union appoint their coordinators from the committee, which names a neutral member from the public. If management and labor refuse to cooperate, the committee can appoint all three.

After 10 days without progress in settling the dispute, the committee determines whether to step in and take control of the situation. The committee head has the

authority to mediate even during the 10-day adjustment period at the request of the company and union.

With their approval, the committee will form a three-person arbitrating committee to produce a set of proposals by Aug. 4, 20 days after the invocation of the emergency powers. Both sides in the dispute must accept the proposals presented by the committee or face imprisonment up to two years or fines up to 5 million won.

"The coordinating job is aimed to get company executives and the union to produce an agreement. We hope to end the conflict before it nears arbitration," the committee's Kim said.

Meanwhile, after the government pronounced enforcement of peace at Hyundai Motor, where the union threatened to resume job actions from Wednesday, some 2,400 policemen surrounded the Ulsan factory and toughened checks in the area to keep outside parties out.

Hyundai Motor is said to have lost 390 billion won in sales at home and abroad and damage, some fatal, has been suffered by its 2,468 subcontractors due to the prolonged dispute.

The union reacted sensitively to the police and criticized the government for interfering. Negotiations scheduled for early Tuesday were delayed after the union requested more time for preparation.

#### Economic Planning Minister Urges R&D Increase

SK1807070593 Seoul YONHAP in English 0635 GMT  
18 Jul 93

[Text] Cheju, July 18 (YONHAP)—Economic Planning Minister Yi Kyong-sik called on South Korean corporations to increase Research and Development (R&D)

spending and build production bases and sales networks in major markets of the world in order for them to compete successfully with their foreign rivals for the world market.

Yi, who is concurrently serving as deputy prime minister, made the remarks in a lecture at an annual Federation of Korean Industries-Sponsored Top Management Seminar opened in the Hyatt Hotel here on Sunday.

Korean businesses have so far focused on investment for production expansion and diversification of production lines, while paying relatively little attention to R&D investment. As a result, productivity gaps with their rivals in advanced countries are ever widening, he noted.

Yi stressed that Korean businesses must now pursue a new management strategy, with emphasis on increased R&D investment to, at least, the levels of their counterparts in advanced countries and expansion of their production and sales bases all the world over.

Investment in R&D expressed as a percentage of annual sales stands at only 2 percent in South Korea, whereas the U.S. and Japanese businesses record 4.8 percent and 3.3 percent, respectively. He also exhorted businesses to develop a labor-management partnership based on high morale and spirit for joint efforts to increase international competitiveness of their products, as in Japanese corporations which now are sweeping into almost every market of the world.

In the seminar which will last until Wednesday, Unification Minister Han Wan-sang, Trade, Industry and Energy Minister Kim Chol-su and Environment Minister Hwang San-song will also lecture. dd

Burma

**Public Service Delegates Hold Talks on Constitution**

*BK1607165093 Rangoon Radio Burma in Burmese 1330 GMT 16 Jul 93*

[Text] A group of National Convention delegates representing public service personnel continued their panel discussion on formulating the basic principles of state suitable to be included in the constitution at 0930 this morning in the Meeting Hall No. 8 at the Kyaikkasan Grounds, Yangon [Rangoon].

U Ant Maung from the Ministry of Religious Affairs chaired the meeting, while U Hla Win acted as secretary of the meeting. Lieutenant Colonel Win Maung, Naval Lieutenant Commander Ye Aung Toe, Lt. Col. Chit Lwin, and Naval Commander Soe Thein from the Ministry of Defense read and presented their reports on suggestions after an explanation on prescription of fundamental principles of state by the alternate chairman. Then the meeting adjourned at 1100 and resumed at 1300.

Air Force Lt. Col. Soe Myint, and Lt. Col. Thar Myint from the Ministry of Defense, U Soe Myint from the Supreme Court, and U Kyaw Aye from the Office of the Attorney General held discussions and presented the suggestions. Then the chairman gave a closing speech. The meeting ended at 1415 in the afternoon after deciding to hold a meeting between panel of chairmen and presenters of the reports to discuss the compilation of the reports of the public service personnel group at 0900 on 20 July.

**Immigration Officer Killed in Kulon Shoot-out**

*BK1607161793 Rangoon Radio Burma in Burmese 1330 GMT 16 Jul 93*

[Text] A combined team of members of military intelligence, the Kulon people's police force, and township immigration and manpower department, acting on a tip-off, conducted a search at (Natlin) jetty, which is situated between Kulon and Chinshwe-aw, on the morning of 9 July.

At about 0800, a man who came on a vessel refused to be searched and shot at an officer and fled. With the public's help, the man was later arrested. During the shoot-out, U Kyaw Aye Khine, deputy head of township immigration and manpower department, was killed from a chest wound.

The man was identified as Li Wan Shun and the officer found one Tan-20 pistol [as heard], six rounds of ammunition, 0.3226 kg of heroin hidden in a plastic box, and 930 pieces of all sorts of gems—a total of 7.75 ticals [1 tical = 16.67 gm]—in his possession.

Authorities are preparing to take effective legal action against him.

**2 Rebels Return to 'Legal Fold' at Bangkok Embassy**

*BK1607161593 Rangoon Radio Burma in Burmese 1330 GMT 16 Jul 93*

[Text] Zaw Lwin, squadron leader from 201st Regiment, and Win Myint alias Thet Ko, sergeant clerk from 203d Regiment, of the ABSDF [All Burma Students' Democratic Front] terrorist organization returned to the legal fold at the Myanmar [Burmese] embassy in Bangkok, Thailand. They returned to Yangon [Rangoon] on 7 July.

Zaw Lwin, aged 23, is son of U Aung Sein of Ward No. 2, Hninsi Road, Palaw; while Win Myint alias Thet Ko is son of U Saw Haling of Kyaungnge Ward, Alegyun Area, Mergui. They went underground just after the 1988 uprising.

According to them, there are various groups such as Moe Thi Zun's group, Naing Aung's group, neutral group, nonaligned group and et cetera within the ABSDF and these groups are quarreling among themselves for power. Moreover, the ABSDF terrorist insurgent organization's movement are controlled and supervised by the KNU [Karen National Union] terrorist insurgent organization and ABSDF is subjected to harassment by the KNU.

In April 1993, 13 youths, including Sergeant Ba U from 203d Regiment of the ABSDF, were killed by Bo Jeni, column leader, and Shunshein, deputy company commander, both from the KNU, when they got into an argument.

It has been learned that they have decided to return to the legal fold because they have experienced the repulsive and depraved practices of the terrorist insurgent organizations. They have also realized and understood the State Law and Order Restoration Council's development activities for Myanmar [Burma] which are being carried out with genuine goodwill.

**Brunei, Malaysia & Singapore**

**Malaysia**

**Russian Foreign Minister To Visit 22 Jul**

*BK2007080493 Kuala Lumpur BERNAMA in English 0400 GMT 20 Jul 93*

[Text] Kuala Lumpur, July 20 (OANA—BERNAMA)—Russian Foreign Minister Andrey Kozyrev is scheduled to arrive here on Thursday for a one-day visit aimed at strengthening Malaysia-Russia relations. The ambassador of the Russian Federation to Malaysia, Vitaliy Vorobyev, told a press conference here Monday that Kozyrev will pay a courtesy call on Prime Minister Dr. Mahathir Mohamed and also meet Foreign Minister Abdullah Ahmad Badawi and Defence Minister Najib Razak. Kozyrev would leave for Singapore the same day to attend the ASEAN Post-Ministerial Conference, he said.

The minister would be accompanied by a delegation of 50 businessmen, politicians, sculptors and members of the Russian media.

Vorobyev said no agenda had been set but he expected issues related to trade, regional security, and other international matters to dominate the discussions. This visit demonstrates the new Russia's interest in the countries of the Asia-Pacific region, in particular, countries that play an important role in regional and global issues, he added. He praised Malaysia's foreign policy of developing amicable relations with all countries and described it as a wise policy.

#### Minister on Lifting of Sanctions on South Africa

*BK1907082293 Kuala Lumpur BERNAMA in English 0712 GMT 19 Jul 93*

[Text] Kuala Lumpur, July 19 (OANA/BERNAMA)— Malaysian Foreign Minister Abdullah Ahmad Badawi said Monday he felt that trade sanctions on South Africa, imposed because of its apartheid policy, should now be lifted. Expressing confidence that the sanctions would be lifted soon, he said the move would enable Malaysians to establish trade relations with the South African business community.

In view of the developments (in Pretoria), I am sure something would happen soon, he told reporters after opening a training course for diplomats of the African National Congress (ANC) at the Institute For Diplomacy and International Relations (IFDR) here.

Earlier, in his speech, Abdullah said there was vast potential for economic relations between the two countries and that South Africa's favourable geographical location gave it the potential to play an important role in the region in the immediate future. It is a powerhouse well placed at the doorway to the African continent and could be the engine of growth in the region, he said when opening the nine-week course for 20 ANC diplomats. Participants are officers of the ANC Foreign Affairs Bureau.

The minister also said that the field of diplomacy had become increasingly complex in the post-cold war era and that the complexities required a high level of expertise and skills among the diplomats.

#### Offers Help With Polls

*BK1907095893 Kuala Lumpur Voice of Malaysia in English 0800 GMT 19 Jul 93*

[Excerpt] Malaysia is willing to assist the African National Congress [ANC] to conduct elections in South Africa. The minister of foreign affairs, Datuk Abdullah Haji Ahmad Badawi, said if the ANC makes the request for help from the Malaysian Elections Commission, the government will respond favorably.

Datuk Abdullah was speaking to newsmen after opening a diplomatic training course for 20 officers from the

ANC in Kuala Lumpur this morning. The course is organized by the Institute of Diplomacy and Foreign Relations under the Malaysian technical cooperation program. The minister said that Malaysia has always been supportive of the ANC in its struggle against apartheid. He also said that trade sanction on South Africa, imposed because of its apartheid policy, should now be lifted. Expressing confidence that the sanction will be lifted soon, he said the move will enable Malaysia to establish trade links with the South African business community. He said it is about time that Malaysian businessmen visit South Africa to explore the opportunities available. [passage omitted]

#### Cambodia

##### Prince Sihanouk Attacks U.S. 'Threats'

*HK2007060193 Hong Kong AFP in English 0555 GMT 20 Jul 93*

[Text] Beijing, July 20 (AFP)—Prince Norodom Sihanouk announced here Tuesday he had abandoned plans to hold talks with Khmer Rouge leaders, blaming U.S. pressure that was pushing him towards a "mental asylum." In a statement issued by the prince's secretariat here, he slammed the United States for its threats of hostile measures should he or the Cambodian government form any alliance with the radical faction.

"In spite of my repeated statements, the U.S.A continues to threaten Cambodia (unofficially) with all sorts of hostile measures should the Khmer Rouge be accepted by me or the Cambodian government as government members or advisers or members of the Cambodian National Army," the statement said.

The prince said he had always fought against foreign interference in Cambodia's affairs. But, he added, with the country devastated and in need of the aid and support of rich foreign powers, "I am no longer up to fighting against the U.S.A as I did from 1955 to 1975."

"I am more and more angered by these incessant warnings from the Americans, which have made me even more ill than I was in the recent past," he said. "So as not to end my life in a mental asylum, I abandon plans to organise in September 1993 or later, a 'Round Table' with Mr. Khieu Samphan or other Khmers Rouge," he said.

The prince, who has a residence in Beijing, was hospitalised here for two days last week to receive treatment for a leg infection.

##### U.S. Using Khmer Rouge To Curb PRC Influence

*BK2007093593 Phnom Penh PROETTEBAT PRACHAM SAPPADA SANTEPHEAP in Cambodian 8 Jul 93 pp 2, 3*

[Weekly commentary: "The Khmer Rouge's Value to the New Government"]

[Text] The Khmer Rouge have now become a momentous "weight" for establishing genuine peace and for some major powers to seize influence in Cambodia.

Although Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council, and Prince Norodom Ranariddh, leader of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party, have reaffirmed to the international community that there will be no inclusion of the Khmer Rouge in the Provisional National Government of Cambodia [PNGC], it is obvious that the best approach is a reunion with the Khmer Rouge so that they will lay down arms and return to the national fold peacefully.

However, it is asked whether the Khmer Rouge will agree to dissolve themselves without receiving any benefits, especially power. The Khmer Rouge have enough troops, armaments, and structure to wage war in order to wrest back power—regardless of whether the war is nonsensical. And although the Khmer Rouge can never reach their ultimate goal, they can, however, drag the new government into a quagmire of protracted war. As such, their value to offset Cambodian peace still exists. We do believe that the Khmer Rouge will make use of their value in an exchange for something from the government. Mr. Khieu Samphan has reaffirmed that "neither will the group oppose the new government nor demand any portfolios in this government." Nevertheless, it is asked whether the Khmer Rouge will agree to remain inactive in their zones and whether the government will continue to allow the existence of the Khmer Rouge's autonomous regions. If the government does not act, this means that Cambodia is divided into two parts. Mr. Khieu Samphan's declared nonhostile stance toward the new government and his abstention from demanding power from it constitute an exchange for autonomous regions. Fighting with the Khmer Rouge means war, being passive means the partition of the country, and calling for the inclusion of the Khmer Rouge means a barter.

Nonetheless, as the bulletin SANTEPHEAP has repeatedly said, it appears that the Khmer Rouge problem cannot be definitely solved by Cambodians themselves. This is because the Cambodian problem involves various major powers which are still trying to seize influence in the country.

It seems that the U.S., a superpower, is pressuring Prince Norodom Sihanouk and Prince Norodom Ranariddh into barring the Khmer Rouge from entering the country or from holding any positions. If the princes act otherwise, the United States will block aid to strangle the government, preventing it from doing anything.

We need peace and we also need aid to redevelop our country but for the time being, we are still in a very difficult situation. The Khmer Rouge are the United States' enemies, but it seems that the United States is using the Khmer Rouge to curb China's influence in

Cambodia. The Khmer Rouge appear to be the United States' tool for forcing the new government to kneel down under the influence that the United States exerts under the aegis of a genuine democracy.

Including or not including the Khmer Rouge remains equally difficult. And this is the fruit of the peace plan mapped out by the United Nations, which carelessly allows the Khmer Rouge to safely jump out of the peace agreement. The Khmer Rouge's value still exists and, at present, it is pushing the international community and the new government for a solution.

#### Finance Minister on Economy, Budget Deficit

*BK1707085793 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 0430 GMT 17 Jul 93*

[Interview with Finance Minister Sam Rangsi on the economic situation and immediate tasks of the Finance Ministry with an unidentified radio-tv correspondent; place, date not given —recorded]

[Summary] [correspondent] What is your opinion concerning the formation of the Provisional National Government of Cambodia [PNGC]?

[Sam Rangsi] Concerning the PNGC, I am glad that our Cambodians, under the advice of the prince father, have found a formula to end the bloodshed between Cambodians and to rally all Cambodian groups to serve our nation and national interests.

[Correspondent] What are the immediate tasks that you will deal with?

[Sam Rangsi] "As a matter of fact, Cambodia is facing an economic problem and our state is facing a serious financial problem. I have just taken up this post for a little over a week, but I realize that this problem is really very serious because the state treasury has almost no money left. Our state is now seeking ways to pay salaries to civil servants and to find money to cope with the necessary expenses. The state must find fuel oil for the power generators so that the capital and the big cities can provide electricity to serve our people's needs. This is why the deficit in the state budgets is a very serious problem. There is presently only 1 billion riel left in the state treasury. Meanwhile, each month, we need 2 billion riel to pay all civil servants."

This is why I, the deputy minister, and all colleagues must strive to get more income for the state and seek ways to thoroughly control expenses. That is, we must try to reduce this budget deficit as much as possible. We must collect money for the state in a proper manner. The customs and revenue personnel must work properly and correctly so that the money collected as taxes will really reach the state treasury. They should work in line with the existing tax system. There is no need to establish a new one.

"All citizens must understand that the economic situation in Cambodia is deteriorating very seriously." The Finance Ministry might have to request for permission from the PNGC cochairmen and the national assembly to expand the tax base and create some new taxes in order to increase the state income.

We will also try to negotiate with UNTAC [UN Transitional Authority in Cambodia] and the international community for the countries friendly to Cambodia to provide necessary aid to our nation, especially financial aid to create a trade balance.

I am glad that we have all come to work together in a spirit of national reconciliation. We will do our best to turn civil servants into a neutral apparatus that serves the entire Cambodian nation and not a tool for any particular party. We will seek more income for the state and reduce state expenses as much as possible.

The other major tasks of the Finance Ministry will be to centralize a single state budget—a single financial system—which must be approved by the assembly, take care of all national property, and control state expenses.

#### Commentary Condemns Opposition to DK Proposal

*BK1707084993 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 16 Jul 93*

[Unattributed commentary: "Some Satans and Demons in the UNTAC and Its Alliance Have Again Begun To Destroy Cambodia's National Reconciliation"]

[Text] I. His Excellency [H.E.] Khieu Samphan, chairman of the Party of Democratic Kampuchea [PDK] and member of the Supreme National Council [SNC], and a Democratic Kampuchea [DK] delegation went to Phnom Penh to have an audience with His Royal Highness [HRH] Prince Norodom Sihanouk, head of state and chairman of the SNC, on 13 July.

H.E. Khieu Samphan made a two-point proposal to the prince as follows:

- A. To set up a quadripartite army to avoid armed confrontation and armed clashes.
- B. The PDK asks only for PDK representatives to play an advisory role. The DK does not demand any position in the interim government.

The prince expressed happiness at the PDK's two-point proposal and said that this proposal is proper and reasonable. Prince Kromluong Norodom Ranariddh, cochairman of the interim government, also expressed his satisfaction with this PDK proposal. At the same time, the people and various circles in Phnom Penh also welcomed and voiced full support for the PDK's two-point proposal and expressed their opinion that this

correct proposal will bring about genuine national reconciliation in line with the prince father's national reconciliation plan.

II. But a number of satans and demons in the UNTAC [UN Transitional Authority in Cambodia] and in its alliance were bothered by this Cambodian national reconciliation and again resumed opposition to this issue from 14 to 16 July.

The annals of this opposition by these satans and demons are as follows:

A. Those who absolutely oppose the Paris agreement, using all forms and means to avoid the quadripartite implementation of the Paris agreement. Their main aim is to banish the DK from the solution to peace in Cambodia.

B. They have planned to divert the quadripartite Paris agreement into a one-party agreement, that is the Vietnamese puppet party, and incorporate the other parties into the structure of the Vietnamese puppet regime.

C. After seeing that H.E. Khieu Samphan's trip to Phnom Penh has achieved a successful result favorable to national reconciliation, those satans and demons hurriedly and promptly embarked on their opposition. They have carried out this opposition in a systematic manner, particularly trying to prevent DK from joining national reconciliation.

III. People raise this question: Who are those elements opposing this Cambodian national reconciliation?

The answer is: Those elements are:

A. UNTAC spokesman Eric Falt and a number of bad elements in UNTAC and in its alliance. These elements never loved Cambodia more than their own countries. They only want the Cambodians to split up so they can scramble for interests from the Cambodian nation and people. The Cambodian nation and people have been well aware of their true nature for the past nearly 20 months.

B. The Vietnamese aggressors and some evil elements among the puppets. They do not want Cambodia to enjoy peace and national reconciliation.

VI. The Cambodian nation and people and the world people have clearly seen the evil, sinister faces of all these satans and demons. They will never allow these satans and demons to break our national reconciliation.

At present, the prince father's national reconciliation goal is continuing to make a headway with the support and stimulation of the entire Cambodian national forces and people. Nothing can check this progress.

**Sihanouk Appoints Ex-Aide as Top Military Adviser**

*BK2007052093 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 0430 GMT 20 Jul 93*

[Decree signed by Prince Norodom Sihanouk dated 15 July—read by announcer]

[Text] Decree:

I, Norodom Sihanouk, head of state of Cambodia and Supreme Commander of the Cambodian National Armed Forces [CNAF]:

With reference to the request made by Prince Kromluong Norodom Ranariddh, co-commander in chief of the CNAF, to His Excellency [H.E.] Samdech Nhoek Chulon, order that:

Article 1. H.E. Samdech Nhoek Chulon, five golden-star supreme general of the Khmer Royal Armed Forces [KRAF], be appointed as top adviser to the KRAF;

Article 2. Prince Kromluong Norodom Ranariddh and H.E. Hun Sen, both supreme generals of the KRAF, co-chairmen of the Provisional National Government of Cambodia, co-ministers of the Ministry of National Defense, and co-commanders in chief of the CNAF, are charged with implementing this decree.

[Dated] Phnom Penh, 15 July  
[Signed] Norodom Sihanouk

**Indonesia**

**Commentary Urges Studying Clinton APEC Proposal**

*BK2007095193 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 20 Jul 93*

[Station commentary]

[Text] The Indonesian Government's decision to study U.S. President Bill Clinton's proposal to hold a meeting of economic ministers of APEC [Asia Pacific Economic Cooperation] countries in Seattle, Washington, in November is understandable because there are still differences of opinion toward the proposal, and also because there seems to be an effort to modify the basic nature of APEC from an informal to a formal or political organization. Foreign Minister Ali Alatas himself said the issue had been discussed by President Suharto and Malaysian Prime Minister Mahathir Mohamed in their recent meeting in Langkawi, Malaysia. In other words, Indonesia does not reject Clinton's proposal, but is still studying it.

APEC was established in 1989 under the initiative of then Australian Prime Minister Bob Hawke. He launched the initiative in Seoul, South Korea, where he stressed the need to establish an informal forum to

discuss trade issues. At first, Australia's initiative was greeted with caution and even suspicion. Some people said Australia wanted to establish a rival trading bloc against the European Economic Community. Others believed that Bob Hawke wanted to destroy ASEAN. However, after thorough scrutiny, it turned out that such accusations and suspicions were unjustified because the idea of establishing APEC had emerged in 1967, namely when ASEAN was established. Besides, the political and economic situation had already changed drastically in 1988 when a more open and effective relationship among nations in the Asia-Pacific region was needed. In addition, trade frictions and protectionism in the 1980's tended to increase.

The first APEC meeting in Canberra was attended by 26 ministers from 12 countries and its informal structure was established while its leaders vowed that APEC would never become a trading bloc. They also said that they would devote their energy and thoughts to trade diversification in the Asia-Pacific. APEC's cooperation would also be focused to practical actions aimed at strengthening economic interdependence.

ASEAN countries, including Indonesia, are also grouped in APEC, but they do not want to see a formal upgrade of the organization because it is still difficult for ASEAN itself to develop its own intra-regional trade. Based on this assumption, it is normal for Indonesia to study the U.S. President's proposal first, especially in view of the fact that the PRC, Taiwan, and Hong Kong are also APEC members.

**Japanese Envoy Explains G-7 Role in Pacific**

*BK1607160093 Jakarta ANTARA in English 1409 GMT 16 Jul 93*

[Excerpt] Jakarta, Jul 16 (OANA-ANTARA)—Advanced countries united in the Group of Seven (G-7) are aware of developments in the Asia-Pacific region and will, therefore, play a greater role in the region, Koichiro Matsuura, Japanese Deputy Minister of Foreign Affairs and Prime Minister Kiichi Miyazawa's special envoy, has said. Particularly Japan which is the only G-7 country in the Asia-Pacific region, will strengthen cooperation in this region, he said when he submitted a working-paper entitled "The G-7 Summit in Tokyo and The Asia-Pacific Region" at the Center for Strategic and International Studies (CSIS) here on Thursday night. Matsuura is in Indonesia to explain the results of the G-7 summit.

Before presenting his working-paper at the CSIS, he visited President Suharto at Jl. [Street] Cendana presidential residence.

Matsuura said that in the political declaration of the G-7 summit in Tokyo on July 7 to 9, it was pointed out that the G-7 countries welcomed the Asia-Pacific countries' stand and would play a more active role in materializing cooperation and security dialogues.

G-7 will also work for a comprehensive cooperation in the Asia-Pacific region. He said at the discussion forum which was attended by CSIS researchers, members of parliament, politicians, and members of foreign missions in Jakarta.

A comprehensive political dialogue with Asia-Pacific countries will not only explain developing perspectives but will also become a reflection of future meetings of the G-7, Matsuura said.

He further pointed out that urgent world economic problems need an immediate way out, for instance problems in bilateral, multilateral, and global trade cooperation in connection with the GATT's Uruguay Round.

Apart from that, political problems in Russia receive attention from the G-7 and hopes that reformation [as received] in that country can take place immediately enabling the realization of world peace and stability.

On cooperation with developing countries, Matsuura said that the G-7 would constantly pay attention to the situation in those countries and had welcomed the cooperation scheme among the developing countries either those grouped in the Nonaligned Movement (NAM) or other developing countries. [passage omitted]

**Diplomatic Relations Established With Lithuania**  
*BK1707075693 Jakarta ANTARA in English 0528 GMT 17 Jul 93*

[Text] Jakarta, 17 Jul (OANA/ANTARA)—Indonesia has established diplomatic relations with the Republic of Lithuania, the Indonesian Embassy announced here on Friday.

The joint communique on the formal opening of diplomatic relations between both countries was signed by the Indonesian ambassador to Denmark, Mrs. Ani Subijarani Santhoso and the Lithuanian ambassador to Denmark, Dalius Cekuolis.

The signing of the diplomatic relations agreement was a follow-up of a consensus reached between both sides to enhance cooperation based on the principles of equality, mutual respect, freedom and territorial integrity.

Both sides agreed not to intervene in each other's internal affairs and respect the principles and aims of the United Nations Charter and the Vienna Convention 1961 concerning diplomatic relationship.

They agreed to maintain the diplomatic relations at the ambassadorial level, it said.

**Zimbabwean Minister on Promoting Economic Cooperation**

*BK1807101193 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 18 Jul 93*

[Text] Christopher M. Ushewokunze, Zimbabwe's minister of trade and industry, said that the geographical distance between Indonesia and Zimbabwe poses no obstacles to the promotion of bilateral economic cooperation. Responding to reporters' questions on snags that could obstruct the enhancement of bilateral economic cooperation, the visiting minister said in Jakarta yesterday that in an effort to head off any problems, a direct Jakarta-Harare air route is expected to be opened. This will be the first step toward realizing South-South cooperation. Zimbabwe also hopes that more concrete bilateral cooperation will follow because the two countries have the potential to mutually fulfill each other's needs. The Zimbabwean minister also said that he is impressed with the economic development Indonesia has achieved so far and expressed his wish to study Indonesia's industrial development system and ways to organize trade fairs such as the Jakarta fair.

**Paper Discusses Australian Military Cooperation**

*BK1707093393 Jakarta ANTARA in English 0632 GMT 17 Jul 93*

[Text] Canberra, Jul 17 (OANA/ANTARA)—A lecturer of the Australian National University has suggested that areas of military cooperation between Indonesia and Australia be limited because not all of them will be beneficial to bilateral relations in the future.

Dr. Harold Crouch, in his press statement published by the local media on Friday, said the military cooperation was necessary.

He saw as positive the joint military exercises between the airforces and navies of the two countries.

Crouch—widely known as an expert on Indonesia—said he personally welcomed the military cooperation suggesting that the two countries strengthen their respective defence against outside attacks.

But he disagreed with the policy taken by the Australian Defence Ministry on joint military exercises between the armies of the two countries saying it was unilaterally beneficial to Indonesia to put an end to security disturbing movements.

Crouch further called for a review of the military cooperation in the future to ascertain which areas of military cooperation were really necessary.

The SYDNEY MORNING HERALD meanwhile denounced the ministry's policy on joint education and training programmes for the elite force commands of the two countries saying that the defence cooperation between the two countries should not be comprehensive in nature.

In its editorial on Friday, the daily urged the Australian Government not to allow the Indonesian military officers to take part in any military exercise in Australia like what it has done to prevent certain Thai military officers from entering Australia because of their involvement in the bloody incident in Bangkok in May 1992.

Commenting on the statement by Crouch, head of the information division of the Indonesian Embassy here Sukamto Wienardi said Crouch had narrow sense in interpreting the military cooperation.

Wienardi said Crouch had poor knowledge of the Indonesian Armed Forces (ABRI)'s role in safeguarding Indonesia against internal and external threats.

Unlike Australia where no separatist movement, Indonesia in its history was not always free from any attempt of undermining its sovereignty, Wienardi said.

I think that Harold Crouch knows the history of ABRI well, but he has spoken (of Indonesia) un honestly in Australia, Wienardi added.

#### Foreign Minister Meets Kuwaiti Deputy Premier

*BK1607145093 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 16 Jul 93*

[Text] Indonesia has welcomed a UN-ratified agreement on the demarcation of the Iraqi-Kuwaiti border. Foreign Minister Ali Alatas expressed the hope that the border demarcation agreement would create peace and stability in the Middle East during talks with Shaykh Sabah al-Ahmad al-Sabah, Kuwait's special envoy and deputy prime minister, in Jakarta today. The UN Demarcation Commission headed by Mokhtar Kusumaatmaja [a former Indonesian foreign minister] with members from Sweden, New Zealand, Iraq, and Kuwait demarcated the Iraqi-Kuwaiti border during its meeting in April 1992. In this regard, Kuwait thanked Indonesia for the latter's role in demarcating the border.

#### Laos

#### SRV Foreign Minister Ends Visit, Departs 18 Jul

*BK1907073193 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 19 Jul 93*

[Text] During his official visit to the Lao People's Democratic Republic [LPDR] from 15 to 18 July, Comrade Nguyen Manh Cam, Political Bureau member of the Communist Party of Vietnam Central Committee and SRV foreign affairs minister, paid courtesy calls on comrades advisers to the Lao People's Revolutionary Party [LPRP] Central Committee, namely Comrade Souphanouvong and Comrade Phoumi Vongvichit, at their residences in Vientiane on 17 July. Comrade Nguyen Manh Cam and his delegation were warmly welcomed by the comrade advisers to the Party Central Committee and their families in a friendly and fraternal atmosphere. On this occasion, Comrade Nguyen Manh

Cam extended to the two advisers, and through them to other comrade LPRP leaders, greetings and best wishes of good health and long life from the party and state leaders as well as from the fraternal people of Vietnam.

Comrade Nguyen Manh Cam and his delegation ended, with glorious success, the official friendship visit to the LPDR and left Vientiane for home on the afternoon of 18 July. He was seen off at Wattai Airport by Comrade Somsavat Lengsavat, member of the LPRP Central Committee and foreign affairs minister of the LPDR. Comrade Bui Van Thanh, ambassador extraordinary and plenipotentiary of the SRV to the LPDR, along with many other high-ranking cadres concerned, were also on hand to see the delegation off at the airport.

#### Foreign Minister, Delegation Leave for Singapore

*BK1907150193 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 19 Jul 93*

[Text] On 19 July, H.E. Somsavat Lengsavat, foreign affairs minister, led a delegation of the Lao People's Democratic Republic [LPDR] as it departed for Singapore to pay a friendly visit to that country from 20 to 22 July, and to attend the 27th ASEAN ministerial conference, which will be held there on 23 and 24 July. The visit is made at the invitation of His Excellency [H.E.] Wong Kan Seng, foreign minister of Singapore and chairman of the ASEAN Standing Commission. This is the first time an LPDR delegation has attended an ASEAN ministerial conference as an observer since it became a signatory to the Bali Treaty in 1992.

Seeing the LPDR delegation off at Wattai Airport were Deputy Foreign Affairs Minister Souban Salitthilat and some high-ranking officials of the Foreign Affairs Ministry. Abdul Wahab B. Harun, Nikhom Tantemsap, and Kasman Pahala Siahaan—respectively the ambassadors of Malaysia, the Kingdom of Thailand, and Indonesia to Laos—were also at the airport to bid farewell to the Lao delegation.

Attending the ASEAN ministerial conference in Singapore as observers are the foreign affairs ministers of the LPDR, the SRV, and Papua New Guinea, as well as invited guests from the PRC and (?the United States).

#### Minister Interviewed on Investment, Regional Ties

*BK1907044193 Singapore BUSINESS TIMES in English 16 Jul 93 p 7*

[by Harish Metha]

[Text] VIENTIANE—Career diplomat Phongsavat Boupha is a marked man: the foreign affairs establishment in Vientiane had singled him out for big things several years ago.

It came as no surprise when he was appointed a deputy foreign minister last December, after serving for over four years as the Lao ambassador to China. A colleague

of his commented that he had been rewarded for his work in China. "He seems to be a rising star," he added.

Laos used to have four deputy foreign ministers, but this year there are just two: one of them is Mr Phongsavat who is in his 40s and likes wearing Lao silk shirts. Sitting in his office in Vientiane, he told this correspondent that he had just taken charge of the Asia-Pacific and Africa portfolio.

The country's diplomatic priorities have changed. Lao diplomats have been asked to focus more on business and the economy and less on politics. "Yes, our ministry attaches greater importance to economic cooperation," Mr Phongsavat said.

The diplomatic ice thawed last year when Laos and neighbouring Vietnam signed ASEAN's 1976 Treaty of Amity and Cooperation in Southeast Asia, which commits the signatories to settle disputes peacefully. Since then, Laos has demonstrated its willingness to develop relations with South-east Asian countries Mr Phongsavat said.

The end of the Cold War shut old, woodwormed doors, but opened new ones. For one, Laos lost a traditional aid giver, the former Soviet Union. But it gained a toe-hold in ASEAN; consequently several Lao ministers and officials have been jet-setting around ASEAN capitals drumming up foreign investments.

"Previously Vietnam and Cambodia were considered to be in other camp, but now Indochina is willing to develop friendly relations with its neighbours, Thailand and ASEAN," he said.

"Laos is a backward, landlocked country, with undeveloped infrastructure. That's why we should participate in ASEAN's functional projects," he said. Laos and Vietnam are likely to take part soon in educational and technical programmes with ASEAN's help.

Laos and Vietnam were strong military allies; Laotian independence would not have been possible without military aid from Hanoi. "Laos, Vietnam and Cambodia were united to fight French colonialism, and attain liberation. We fought the neo-colonialists, and thus our relations became special," he said.

The traditional military relationship was buttressed through the 70s and 80s by a series of multilayered scientific, cultural, educational and commercial treaties between the two countries.

Laos is keen to maintain its special relationship with Vietnam. In April, the Lao Prime Minister Khamtai Siphandon visited Vietnam to discuss economic cooperation. Landlocked Laos needs Vietnam badly to provide it with a seaport. It was former Laotian strongman, President Kaysone Phomvihan, who first proposed building a port in Vietnam in the 80s.

The dormant proposal has recently been revived. Negotiations are now going on with Vietnam to build a new

port to replace Danang port which is over 1,000 km from Vientiane. "Transport costs to Danang are too high, and the new port in central Vietnam will cut more than 300 km," Mr Phongsavat said.

Vietnam is also helping Laos to conduct a survey and rebuild the road linking Laos and Vietnam, dubbed a pan-Indochina land bridge. This road also serves trade with Thailand.

Foreign businessmen in Vientiane have said that neighbouring Thailand has virtually colonised the Lao economy. Asked if this was true, Mr Phongsavat said: "Where did you hear this?" He added: "Foreigners may consider that the Thais want to play a dominant role in developing the Lao economy because Thailand needs resources from Laos so that Thailand can become a newly industrialising economy. It also wants to convert Indochinese battlefields into marketplaces.

"Laos needs foreign investments from all countries not just Thailand. But whether Thailand is trying to play a dominant role in Laos, I don't know. Is this the opinion of some businessman or some politicians?" Turning to Cambodia, Mr Phongsavat said that the Hun Sen government had a good relationship with Laos, but he wondered whether the new powers in Cambodia will be just as friendly.

"The Lao-Cambodian people's friendship was distorted by the years of the Khmer Rouge's reign. But now the situation has changed. We respect the result of the Cambodian election, as will all other countries," he said.

Will Laos stand to gain economically when the US lifts its embargo against Vietnam? "It will profit the Vietnamese people. Laos already has investments from the US and we have had diplomatic relations with them since 1975," Mr Phongsavat said.

Laos and the US are cooperating in the search for about 500 US troops missing in action in Laos, and also on allegations that Laos is a major narcotics grower.

"We have a good cooperation with the US on the narcotics problem, and they are satisfied. But they don't believe us because there are rumours about the Golden Triangle. They say that opium is being exported from Laos to Thailand, but we have convinced them that we do not produce so much opium.

"Meanwhile, we have invited the US to go and see the areas where the US suspects we have opium."

Laos has also received credit from China to build a small power station in northern Laos. Besides, both countries are planning joint-ventures in gold and tin mining.

Trade is a major obsession for Lao officials. That would help it integrate with the regional economies.

Towards this end, Laos has been eyeing membership of the GATT, or the General Agreement on Tariffs and Trade. "We are continuing to negotiate with GATT. It

depends on the major powers when we can become members," Mr Phongsavat said.

### Philippines

#### Ramos on Japan Polls, Extradition Treaty With U.S.

HK1907094693 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 19 Jul 93

[Weekly news conference by President Fidel Ramos with foreign and domestic correspondents at Malacanang Presidential Palace in Manila—live, in English]

[Excerpts] [Riddell] Barry Riddell, Japan Broadcasting Corporation, NHK. Mr. President, this about foreign relations, about the Japan elections yesterday. As you know, an interesting new kind of balance of power may be emerging in Japan now. Because of the Philippines' and Japan's very important relations in so many fields, there are two things: Can we know your reaction from a distance to the election figures, and, secondly, do you think these figures may bring any changes in foreign relations or perhaps business as usual between Japan and the Philippines?

[Ramos] Well, in the first place, the elections in Japan are really their own internal concern, which we only observe from a distance without getting involved. I just hope, however, that the whole exercise will result in the continued stability of the Japanese Government, both for the short term and the long term. Now, as far as changes in Philippines-Japan relations are concerned, we continue to coordinate, consult, and dialogue with the Japanese Government's representatives here in the Philippines, led by Ambassador Hirokazu Arai, who is most supportive of our development programs. Of course, he will have to get guidance from his superiors in Tokyo. But the dialogue for the purpose of enhancing economic cooperation, investment, trade, technology transfer, and tourism continues whoever is the head of government in Japan. By the way, thank you for providing me the figures. [passage omitted]

[Villanueva] Good afternoon, Mr. President. Marichu Villanueva from the MANILA STANDARD. Senator Blas Ople, chairman of the Senate Foreign Relations Committee, has suggested that in your forthcoming trip to the United States you should take up with President Bill Clinton the matter of a possible extradition [treaty] between the Philippines and the United States in the wake of the rising criminals going out of the country to seek refuge there. What's your comment on this, sir?

[Ramos] We will be taking up many subjects with President Clinton.

[Villanueva] Including the extradition treaty, sir?

[Ramos] There are already efforts, in fact, in the past as well as by our respective departments—meaning the Department of Justice and their U.S. counterparts—to

work on something in regard to the exchange of fugitives. In the past, this did not prosper because, during the Marcos administration, the Filipinos who were considered fugitives from the law were really those that were opposing the martial law regime—most of them anyway. So these matters are still being worked on at the lower levels.

[Villanueva] Are you hopeful that, this time, the U.S. will be more accommodating on this?

[Ramos] I do not know from the U.S. side. We will have to determine within the next few weeks what their reactions will be. [passage omitted]

### Japan Provides P700 Million Aid Package

HK1907150093 Quezon City ABC-DWET Television in Tagalog 1000 GMT 19 Jul 93

[From "ABC-DWET News Program"]

[Text] The Philippines and Japan today signed an agreement for 3 billion yen or P700.5 million [Philippine pesos] in Japanese assistance to the ailing Philippine economy. The amount would be used by the country to bridge its payments deficit and to supplement its national funds.

The agreement was signed by Foreign Affairs Secretary Roberto Romulo and Japanese Ambassador Hirokazu Arai.

The Japanese aid was in answer to President Fidel Ramos' appeal to the Japanese Government during his state visit last March.

### Breakaway Group Blames Central Committee for CPP Losses

HK1607132293 Quezon City ABC-DWET Television in Tagalog 1000 GMT 16 Jul 93

[From "ABC-DWET News Program"]

[Text] In a news conference yesterday, the communists in Metro Manila formally declared autonomy from the Central Committee of the Communist Party of the Philippines [CPP].

This was after the Central Committee ordered the disbandment of the Alex Boncayao Brigade [ABB] and the Manila-Rizal Regional Committee [MRRC] due to their alleged mistakes.

In that news conference, the MRRC issued its own criticism of the central committee. Among these criticisms were that the Central Committee was responsible for the death of many party members.

Carlos Forte, head of the CPP's MMRC, said the Central Committee let many opportunities pass, like the EDSA [Epifanio de los Santos Avenue] Revolution.

[Begin Forte recording] In 14 years of Marcos rule [preceding six words in English], the party faltered. We were the ones who poured so much sacrifices, but in the end, when the revolutionary situation erupted in the form of the EDSA revolution, where was the party? [end recording]

But Forte explained that the MRRC move does not mean the party would be divided.

[Begin Forte recording] We would like to clarify that this is a withdrawal not from the party, the national organization of the party, but from the illegal Central Committee. [end recording]

In a document issued during yesterday's news conference, the MRRC says its 5,000 members no longer recognize the CPP leadership, first because of the allegedly illegal election of Armando Liwanag [Jose Maria Sison] as CPP chairman in a plenum where the leaders allegedly maneuvered to elect themselves, and the issuance of wrong decisions.

The group thus called for the holding of a congress among CPP members.

[Begin Forte recording] The congress is the party, if you really come down to it. Its delegates represent the entire party organization. So the election process is very democratic—party conferences from the bottom, at pro rata. [end recording]

The Manila CPP leaders also expect this debate to be resolved within the party. They said the 5,000 membership in Metro Manila is the biggest CPP unit, and that cannot be ignored.

Luis Jalandoni, spokesman of the National Democratic Front, described Forte as an impostor. He said the Central Committee may slap penalties on MRRC members for sowing the seeds of division within the movement.

[Begin Jalandoni recording] It was really not in good order because the former Manila Rizal Committee came out openly to reject the decisions of the Central Committee and reject the rectification movement of the Central Committee and is calling on the membership to reject the Central Committee. Therefore, by their very actions, they were trying to cause disunity and disruption within the movement. [end recording]

Meanwhile, Human Rights Commission Chairman Sedfrey Ordonez expressed concern about the resurgence of groups like the ABB. He said the government has no control over the ABB methods.

He explained that criminality will not be controlled even if groups like ABB increase in number. He said the people's trust cannot be earned through the meting out of summary justice. Any move to link any person to crimes should be in line with the law.

[Begin Ordonez recording, in English] I'm wary of such an offer. The implication is that the government might appear to be giving its imprimatur to the use of unconventional methods. Because, even among our law enforcement agencies, we have not authorized. [sentence as heard] [end recording]

Vice President Joseph Estrada, chairman of the Presidential Anti-Crime Commission [PACC], said he is not concerned that the ABB has a hit list that includes some 1,000 people.

Estrada, who left today for the United States, said it should be determined first if there really was a list and that threats from the ABB should not be given too much attention.

[Begin Estrada recording] We will not refuse any kind of challenges, especially from these lawless elements. [preceding sentence in English] Shall we let them scare us? [end recording]

President Fidel V. Ramos, meanwhile, said the government will not allow a violent cleanup of the police and military ranks. He said no organization can take the law into its hands.

This was the president's reaction to the ABB's threat to clean up the military and police ranks by killing their corrupt members.

Congressman Bonifacio Gillego said the ABB's targeting the lawless in society will encourage defections from the party's hardline leadership.

Gillego, who is also an activist and chairman of the House of Representatives Human Rights Committee, said that although the breakaway ABB chapter is small, it would still have an effect on the Communist Party leadership.

[Begin Gillego recording, in English] The split in terms of a 5,000 following now is likely to grow because there are already signs of splits also in the other regions of the Philippines—Mindanao, the Visayas. And since they are better attuned to the changed conditions in the country, they have a better chance of recouping membership from among those left or those who are already battle-weary after 24 years of struggle. And besides that, they are in place, they are here; the other leaders with whom they have split are outside the country. [end recording]

### Split 'Major Obstacle' to Talks

HK1907145093 Quezon City ABC-DWET Television in Tagalog 1000 GMT 19 Jul 93

[From "ABC-DWET News Program"]

[Text] For the National Unification Commission [NUC], the conflict within the communist movement is emerging as a major obstacle to the peace talks. The declaration of autonomy by the Manila-Rizal Regional

Committee [MRRC] of the Communist Party of the Philippines [CPP] from the central committee confirms the NUC's concern.

The breakaway group's leaders have said they do not object to pursuing peace talks.

[Begin recording of Carlos Forte, MRCC leader] We have left our families for the last 24 years. Our children have grown up. We want peace. The question is whether it is peace that we have fought for. [end recording]

But Forte elaborated that the peace they want is a peace that meets the expectations of the people.

[Begin Forte recording] We really want peace. That is also what the people want. If we want progress, the year 2000 of Ramos, we should solve the problem of the civil war in this country and determine its roots. [end recording]

But the Manila communists have ignored the NUC's indications that government negotiators would also approach them for peace talks. The chapter leaders pledged not to be involved in the peace talks.

[Begin Forte recording] Absolutely no. We will not talk to the NUC because, in our view, this is a national issue and talks should be at national level.

The question now is who are the national leaders of the communist movement in the face of the MRRC's breakaway. As to how the discord within the communist movement will be resolved, only time can tell.

But MRRC leaders said their breaking away would enliven the movement, at least in Metro Manila.

[Begin Forte recording] The accumulated errors from dogmatism, revisionism of the international communist movement—this is the result: the collapse of the socialist countries. In our view, now the real evolution can begin. [preceding six words in English] [end recording]

In a statement today, the MRRC said [CPP leaders] Jose Maria Sison and Luis Jalandoni should come home to the Philippines to participate in a true revolution. Forte said Sison and Jalandoni would help the movement more by coming home rather than continuing what he described as fax revolution from their comfortable residence in the Netherlands.

President Ramos, on the other hand, said it is clear that the CPP-NPA [New People's Army] members are slowly losing trust in Sison's leadership. Ramos made the statement during his regular news conference at the Malacanang presidential palace this afternoon.

Nevertheless, Ramos declined to be involved in the row between Sison and the MRRC. He said that this is an internal issue for the communist movement.

[Begin Ramos recording] The peace process is still continuing. But what has happened between Mr. Joema

Sison and the ABB [Alex Boncayao Brigade] is something from within their party. This is an internal party matter and what we are really seeing is the loosening of the influence and the control and the credibility of the communist movement in the Philippines. [end recording]

#### MRRC Challenges Incumbent Leadership

HK1907153193 Manila Manila Broadcasting Company  
DZRH in Tagalog 0800 GMT 19 Jul 93

[Text] The Metro Manila-Rizal Regional Party Committee [MRRC] of the Communist Party of the Philippines [CPP] has challenged CPP founding chairman Jose Maria Sison and National Democratic Front [NDF] negotiator Luis Jalandoni to come home to the Philippines and personally participate in an actual revolution and not lead a fax revolution from The Netherlands.

In a secret interview with DZRH Unit 22, MRRC chief and spokesman Carlos Forte said Joema Sison should not be compared to Lenin, who, merely through a keen and analytical mind, was able to lead a revolution even from a distant place. Forte added that if Sison wants to regain the leadership of the revolution in the Philippines, which is being propelled by the CPP-New People's Army-NDF, he must follow the steps of his mentor Mao Zedong by participating directly in the revolution and helping to consolidate and unify the revolutionary movement.

In reacting to an alleged series of faxes by Sison and Jalandoni, Forte directly challenged the rather absolutist leadership of Sison's Stalinist faction in the central committee to support their accusations against the MRRC and the Alex Boncayao Brigade as impostors, usurpers, psychological war agents of the U.S.-Ramos regime, terrorists, and militarists, with sufficient evidence.

Forte stressed that Sison's arguments are about to be unpopular and that is why Sison has continued to distribute black propaganda and character assassinations against his comrades in the revolutionary movement.

#### Thailand

#### Editorial Urges U.S. To Normalize Hanoi Ties

BK1707040893 THE NATION in English  
17 Jul 93 p A6

[Editorial: "What new MiA information does US want from VN?"]

[Text] The most senior United States' delegation to visit Vietnam since the end of the war about 18 years ago is in Hanoi for talks that could lead to the lifting of the American trade embargo against the country. The delegation, comprising senior Clinton administration officials and representatives of America's four biggest veterans groups, is headed by US Assistant Secretary of

State for East Asia and Pacific Affairs, Winston Lord, and will hold talks on American troops missing since the Vietnam War.

Washington says US missing troops must be accounted for before it lifts the embargo, imposed on North Vietnam in 1964 and extended to the rest of the country after the communist victory over the American-backed regime in the south in 1975.

When President Bill Clinton lifted Washington's ban on international lending to Vietnam earlier this month, he clearly stressed that the trade embargo would stay in place until there was more cooperation from Vietnam in accounting for over 2,000 US troops still listed as missing in action (MiA).

Progress made so far on the MiAs, according to the American president, does not warrant any change in the trade embargo or any further steps towards normalization with the Hanoi government.

That statement by Clinton disappointed the Vietnamese and angered US businessmen desperately seeking to gain access to Asia's emerging economic tiger. US business has been lobbying Clinton to let the embargo lapse when it comes up for renewal in September, especially now that international loans are set to start flowing to Vietnam.

Frankly, it is rather short-sighted for the White House to free international lending and not give US firms access to the contracts and the economic boom in the Indochinese country.

For several years, Vietnam's economic potential has had investors around the world drooling. With a population of about 70 million, it is nearly twice as big as South Korea. Its abundant natural resources, reform-minded communist leaders and well-educated, hardworking and cheap 33-million strong workforce are sure to make the country a major manufacturing centre in the region.

The 11-man high-level US delegation in Hanoi are to press for greater progress in accounting for missing American servicemen, the last major hurdle to normalization between the two countries.

Ironically, this delegation is in the country a few days after Republican Senator Bob Smith of New Hampshire travelled to Vietnam with Robert Garwood, a former Marine prisoner-of-war who emerged unexpectedly from Vietnam in 1979—four years after the war ended—and was court martialed and convicted in 1981 for collaborating with the enemy.

Smith said Tuesday at a Capitol Hill news conference that he and Garwood found evidence during their trip of prison camps in Vietnam that US intelligence agencies deny existed. He conceded that while he came back with no proof that captive Americans might still be alive in Vietnam, what he saw "makes the evidence much more compelling."

But full accounting of missing troops sought by Washington in what Clinton calls as a "tough push for more answers" is impossible. The US delegations before Lord's have praised Hanoi for allowing them unprecedented access to military files and information. The impending question we have to ask is what more can be done by the Vietnamese authorities when Hanoi has given Washington full access to its information on MiAs.

If Lord comes back to Washington with something concrete on continuing Vietnamese efforts to locate American MiAs President Clinton will be able to lift the trade embargo when it comes up for renewal in September, effectively ending at last the Vietnam War.

The US Assistant Secretary of State's biggest challenge will be to convince vocal American veteran groups and the families of missing servicemen, that new information on the emotional issue of MiAs is a thing of the past. There is a window of opportunity in normalizing ties with Hanoi and Washington should not pass this up.

#### Officials Discuss Cambodia, Burma Policies

*BK1907145593 Bangkok Army Television Channel 5 in Thai 1200 GMT 19 Jul 93*

[Text] Foreign Minister Squadron Leader Prasong Sunsiri, Deputy Foreign Minister Surin Phitsuwan, Interior Minister General Chawalit Yongchaiyut, Defense Minister Gen. Wichit Sukmak, and a number of high-ranking officials from the three ministries attended a joint meeting at the Foreign Ministry this afternoon. The meeting lasted more than three hours.

Speaking to reporters after the meeting, Squadron Leader Prasong Sunsiri said that the meeting discussed issues pertaining to security and border problems in preparations for the formulation of the country's policies toward Cambodia and Burma.

[Begin Prasong recording] It will benefit the country and people living in these areas. Issues pertaining to Cambodia, in particular the Cambodian Government's attitude and policies, were brought up for extensive discussion. It is anticipated that the Cambodian provisional government will later become the permanent administration of the country. [end recording]

The foreign minister disclosed that he had instructed the Thai ambassador in Phnom Penh to coordinate with the Cambodian provisional government to relax restrictions on members of the Thai private sector engaging in trade and business in Cambodia.

Touching on relations with Burma, the foreign minister said that the government will eliminate the causes of mutual suspicion by refraining from supporting the Burmese Government's opponents.

**UN Commander Dismisses Fears of Cambodian Civil War**

*BK2007034093 Bangkok BANGKOK POST in English  
20 Jul 93 p 6*

[Text] THE commander of UN peacekeeping forces in Cambodia yesterday dismissed fears that civil war may resume in Cambodia after the United Nations withdraws.

"I don't think there is a very high possibility of this at all," Lt Gen John Sanderson said in answer to questions from reporters in Bangkok after meeting Thai Army Commander-in-Chief Gen Wimon Wongwanit.

He was hopeful the country, at war for 13 years and racked by violence for decades before that, would unite behind the government that emerges from May's UN-backed elections.

"I think now a Cambodian government is forming under Prince Norodom Sihanouk which the Cambodian people will support," he said.

"Anybody in the countryside who wants to oppose that government will do so in great peril," he said, apparently referring to the Khmer Rouge, the Maoist guerrilla faction that boycotted the May elections.

The group is believed to be responsible for another round of violence last week which included attacks on UN helicopters, bridges and a market.

The group is said to have about 15,000 soldiers under arms while controlling up to a fifth of the country, mostly territory in western Cambodia.

**Ministers Meet on Cambodian Logging Contracts, Burma**

*BK2007043293 Bangkok BANGKOK POST in English  
20 Jul 93 p 6*

[Text] THAILAND will pursue with the interim Cambodian government promises that logging contracts sealed before the United Nations-endorsed ban will be honoured Foreign Minister Prasong Sunsiri said yesterday.

Thai Ambassador to Cambodia Sunai Bunyasiriphan has been told to co-ordinate contacts with the interim government, both of whose co-presidents have said they would honour previous agreements, the foreign minister said.

The co-presidents of the interim government are Prince Norodom Ranariddh, leader of the royalist FUNCINPEC [National United Front For an Independent, Neutral, Peaceful and Cooperative Cambodia] party, and Hun Sen, a principal member of the Cambodian People's Party.

Squadron Leader [Sqn Ldr] Prasong was speaking to reporters after hosting a meeting, which lasted almost

three hours, with Interior Minister Chawalit Yongchayut, Defence Minister Wichit Sukmak and National Security Council chief Charan Kunlawanit.

The meeting was an exchange of views on the situation in neighbouring countries, notably in Cambodia and Burma, he said.

The discussion on Cambodia covered problems at the Thai-Cambodian border, including precautions against untoward incidents, as well as trading in timber and gems, he said, refusing to disclose details.

The discussion on Burma dealt with ways of increasing bilateral co-operation—through trade, fishing, logging and exchanges of high-level visits—and dispelling doubt on the question of minorities, the foreign minister said.

The Thai Government has no policy to support the activities of minority groups and would like local authorities to understand this, he said.

At the same time, the minister noted that Thailand would have to review the question of Burmese asylum-seekers, notably the students who fled Rangoon almost five years ago.

Apparently including those who arrived decades ago, he pointed out that Thailand now plays host to a total of 300,000 displaced Burmese.

Sqn Ldr Prasong said there would be more cross-ministry consultations such as those held yesterday because the implementation of a well-coordinated foreign policy benefits all concerned.

Lack of co-ordination weakens bargaining power.

The minister said a coalition was the likely outcome of the Japanese elections because the Liberal Democratic Party has not won an absolute majority.

But he expected very little change in Japanese policy in so far as economic and social cooperation with countries in this region was concerned.

**Army Commander To Visit Russia for Helicopter Inspection**

*BK1807031093 Bangkok BANGKOK POST in English  
18 Jul 93 p 3*

[Text] Army Commander Gen [General] Wimon Wongwanit will lead senior Thai Army officers on a four-day official trip to Russia starting on Wednesday.

The Army will inspect military hardware including Mi-17V transport helicopters and engineering equipment which it was keen to buy for development programmes in rural areas, military sources said yesterday.

The sources said Gen Wimon has responded positively to a proposal by Russian trading firm Aviaexport for a barter arrangement.

It would take 50 per cent of the price in Thai agricultural products if Thailand bought the helicopters.

Gen Wimon was quoted as saying a barter deal would limit unnecessary spending but would depend greatly on Government policy.

The sources said that during the trip Gen Wimon would see helicopters in action.

The Army had earlier selected them among three models it might buy to replace its current fleet.

The other two models are the US-made S-70A Black-hawk and Bell 212.

"Gen Wimon has said it is a good opportunity for the Army to have a chance to visit the Russians and he wants to know how the Russian army has adapted to circumstances in a changing world," said one senior officer who declined to be named.

The officer said Gen Wimon has told Lt-Gen Narunat Kamphanatsaenyakon, the Army's engineering director, to accompany him during the four-day visit.

"He (Gen Wimon) is very interested in the Russian equipment for engineering as he said that in future the Army has to adapt to its new role of development projects countrywide.

"It is very likely the Government will urge the Armed Forces, specifically the Army, to assist more in development in rural areas," the officer said.

The sources said the trip was not aimed at procuring more weapons.

"In the present situation there is not much need to procure more weapons for the Army. What we urgently need is Army development equipment," the officer said.

"The Thai Army is very short of military engineering hardware and Gen Wimon considers that Russian engineering equipment is very efficient and much cheaper than equipment made in the West," the officer said.

**Two Camps for Laotian Refugees To Close**  
*BK1707031293 Bangkok BANGKOK POST in English*  
*17 Jul 93 p 7*

[Text] Savannakhet, Southern Laos—National Security Council [NSC] chief Charan Kunlawanit has reaffirmed plans to close down two refugee camps in the Northeast to speed up the repatriation of Laotians.

He said Chiang Kham camp, in Phayao province, would be closed by the end of this year, followed by Ban Na Pho, in Nakhon Phanom Province, at the end of 1994.

All Laotian refugees remaining in Thailand thereafter will be moved to Phanat Nikhom camp in Chon Buri province, he said.

The NSC secretary-general was speaking to reporters after the conclusion of a tripartite meeting on Thursday that brought together senior officials of Thailand, Laos and the United Nations High Commissioner for Refugees (UNHCR).

None of the participants to the sixth tripartite meeting were confident that the repatriation of more than 35,000 Laotians now encamped in Thailand could be accomplished by the end-of-1994 deadline they set two years ago.

Gen Charan, who led the Thai delegation, shrugged off the UNHCR's concern that the repatriation might be further delayed by the closure of Ban Na Pho camp and Thailand's requirement for refugees still remaining in the country after the deadline to be moved to Phanat Nikhom.

"It is our responsibility to close the camp, and the UNHCR has to be responsible for repatriating the refugees," the NSC chief said.

"We do not like having refugee camps here in Thailand at all. We will be pleased to see all of them (the refugees) go home," he said.

Ban Na Pho now houses Laotians who have agreed to go back to Laos, while Phanat Nikhom holds those hopeful for resettlement in a third country particularly the United States.

Every Laotian refugee has made his choice, Gen Charan said, adding that this is a good sign for the programme.

There are 35,673 Laotians left in Thailand. In the 12 months since June 1992, only 4,294 Laotians joined the UN-sponsored repatriation, or only one-third of the target, according to NSC estimates.

A statement released at the end of the meeting said Thailand, Laos and the UNHCR would do their best to meet the deadline set by the fourth tripartite meeting in Luang Prabang.

Gen Charan said Thailand would take decisive action against Laotians who attempt to disrupt the repatriation or instigate activities against the Laotian government in Vientiane.

He admitted that there were Laotians trying to persuade the anti-communist Hmong to engage in both.

Some of them came from the US and had connections with Vang Pao, the Hmong leader who now lives in the American state of Montana, he said.

Thailand over the past year has arrested about 10 Hmong rebels trying to stage anti-communist activities in Laos.

At a press conference held after the meeting, Laotian Deputy Foreign Minister Suban Salitthilat said Laos and the UNHCR were satisfied with Thailand's pledge

to take action against the insurgents, whose activities he said were delaying the repatriation plan.

But Gen Charan pointed out that the most important cause of the delay was the lack of "suitable" relocation areas for the returnees.

The meeting also agreed to seek donor countries to help fund the programme, which has to provide for basic needs of the returnees, Mr Suban said.

The European Community, the US and Japan have already informed Laos that they were interested in providing funding, he said.

All delegates to the meeting yesterday visited a returnee resettlement area at Ban Samphat Vilai in Outhoumphone district.

The UNHCR provides each returnee food for 18 months, necessary equipment for farming and building houses and the equivalent of 2,000 baht in cash.

#### **Cooperation Agreement With Laos Signed**

*BK1707032493 Bangkok BANGKOK POST in English  
17 Jul 93 p 7*

[Text] Lao and Thailand have agreed to boost their cooperation in a number of areas, particularly in their war on crime and narcotics smuggling.

The two sides agreed in a memorandum co-signed by Interior Minister Chawalit Yongchayut and Home Minister [title as published] A-sang Laoli yesterday morning to provide protection to the transport of goods and for the Thai-Laos Friendship bridge.

The two countries will also increase protection for convoys of passenger buses which pass through border checkpoints.

They will join work together in maintain the friendship bridge in accordance with rules to be drafted later.

The two sides agreed to provide safety and better and more convenient access for cross-border travel.

Officials will also facilitate business contacts between the two countries.

Vientiane and Bangkok have agreed to exchange a list of prisoners currently serving jail terms in each other's country.

Thai and Laos will continue to cooperate in fighting the drug trade and will also work together with Burma.

They will also help each other solve the Laotian refugee problem and continue the repatriation programme initiated in Luang Prabang in June 1991 and Pattaya in March 1989.

Thailand will not allow refugee camps to be used as operating bases for individuals or groups who undermine the good relations between the two countries.

Both countries will help facilitate the repatriation of refugees and will call for an international organisation to lend financial support.

Thailand and Laos want to see regular consultations and contacts between the governors and police chiefs of the two countries whose provinces share borders.

The two countries will coordinate to eradicate the insurgency problem along the border and will exchange information on prisoners escaping across the border to make it easier for arrests.

The Laotian Home Minister is on an official visit to Thailand until July 22.

#### **Deputy Foreign Minister Receives Lao Delegation**

*BK1907084193 Bangkok Radio Thailand Network in  
Thai 0530 GMT 19 Jul 93*

[Text] Deputy Foreign Minister Surin Phitsuwan and a number of government officials welcomed Bouaban Vorakhun, deputy minister for information and culture of the Lao People's Democratic Republic, at the Landmark Hotel yesterday. Bouaban Volakhoun, also chairman of the Lao Journalists Association, and a 11-man delegation are currently paying a visit to Thailand to observe the press industry and the progress of the Mass Communications Organization of Thailand.

In his welcome speech, the deputy foreign minister said that the Lao delegation's visit to Thailand will help further strengthen relations between Thailand and Laos. He hoped that the visit will enable the Lao mass media to learn more about economic relations between the two countries. He cited as an example the Quadruple Development Program, which he said will increase Thai-Lao trade relations.

Bouaban Volakhoun said that Thailand and Laos have maintained relations and mutual assistance since time immemorial, noting that the Lao mass media is ready to support any development program that can benefit the two countries, such as the nearly-completed bridge linking Nong Khai Province and Vientiane. The bridge, he said, is very useful because it will facilitate contacts and trade at both the government and private sector levels. He added that this project and the recent signing of a border security agreement testify to the mutual understanding and proximity as bounded by their geographic locations. Hence, Thai-Lao relations must be further strengthened in the future.

#### **Military Warns of 'Untoward Incidents' on Burmese Border**

*BK1707033493 Bangkok BANGKOK POST in English  
17 Jul 93 p 6*

[Text] Chiang Mai—The Third Army Region yesterday warned Thais in northern provinces bordering Burma to exercise great caution in travelling across the border into the neighbouring country.

A military source said the warning was issued in the wake of the reinforcement and maneuvering of Burmese troops along the border straddling Tak Chiang Mai, Chiang Rai and Mae Hong Son.

The source quoted the Third Army Region as saying that the maneuvers might affect coordination between Burmese and Thai officials, particularly the Border Patrol Police, as the two sides have yet to establish relations.

It then ordered Thai police and military officers posted at the Thai-Burmese border in those provinces to take precautions to prevent untoward incidents.

The Border Patrol Police also have to tighten inspection of those crossing the Thai-Burmese border.

If there were problems, Thai officials were ordered to negotiate.

#### **Minister: Rangoon Wants Joint Exploitation of Forests**

*BK1907022593 Bangkok BANGKOK POST in English  
19 Jul 93 p 3*

[Text] RANGOON wants foreign companies to form joint ventures with Burmese in forestry to ensure control of logging and transfer of technology, Deputy Foreign Minister Surin Phitsuwan said yesterday.

This was preferable to the companies carrying out logging themselves, he said.

He said he had learned from the Thai Embassy in Rangoon that the military junta was concerned about illegal logging outside concession areas and also at the felling of trees not in accordance with specifications. Of most concern is the leasing out of concession rights by brokers to others who do not recognise the logging conditions laid down by Rangoon.

Instead of giving concessions outright to foreign companies, Mr Surin said the State Law and Order Restoration Council wanted them to form joint ventures with Burmese in 80 sawmills.

Rangoon earlier served notice on foreign logging firms that all logging concessions would expire by the end of this year and would not be renewed. A total of 47 Thai logging firms are affected.

Mr Surin said the Government was seeking information about the joint venture conditions.

#### **Trade Delegation Visits PRC, Mongolia 17-24 Jul**

*BK2007100993 Bangkok XING XIAN RIBAO in Chinese 19 Jul 93 p 20*

[Text] A 30-member Thai trade delegation is on a visit to China and Mongolia for trade talks from 17 to 24 July. Suwit Wangli, chairman of the Board of Trade of Thailand, will head the delegation while the deputy director general of the Export Promotion Department will be the

mission's adviser. The delegation will include representatives from the textile, rubber, banking, real estate, deep-seaport, fishing-net, ceramics, and survey sectors.

In Beijing, the delegation will meet with Wu Yi, China's minister of foreign trade and economic cooperation, and other high-ranking officials.

Thailand's exports to China in 1992 reached 9.74 billion baht and Thai investment in China has increased since 1981. Most Thai investments are in Guangdong, Beijing, and Shanghai.

From 20 to 23 July, the delegation will visit the capital of Mongolia. Members of the delegation are scheduled to pay a courtesy call on the Mongolian prime minister and the trade and industry minister.

The Board of Trade of Thailand will propose signing a cooperation agreement with the Mongolian Chamber of Commerce during the visit. The trade volume between Thailand and Mongolia is presently not substantial, however, Thai officials hope that signing a cooperation agreement will improve trade relations between the two countries.

#### **Politicians Implicated in Saudi Jewel Theft**

*BK1807021793 Bangkok BANGKOK POST in English  
18 Jul 93 p 1*

[Text] INVESTIGATORS looking into the police embezzlement of stolen Saudi Arabian jewellery will ask the Interior Minister what to do about evidence that points to the involvement of senior politicians, policemen and other prominent people.

Sources said a senior politician, former top policeman and other people are believed to be in possession of some of the jewellery, which went missing after police recovered it from a Thai labourer who stole it from a Saudi prince. All of the suspects are well-known people and have influence in society.

Sources said Deputy Police chief Chan Ratthanatham, who heads the committee investigating the case, last Wednesday asked Deputy Permanent Secretary Ari Wongaraya for guidance.

Mr Ari told reporters earlier no one would be exempt from prosecution. Mr Ari, who chairs a committee reviewing the investigations of the jewellery case, the murders of Saudi diplomats and the disappearance of a Saudi businessman, said he would summarise the findings for the Interior Minister, who would decide what to do.

He said the committees under Pol Gen [Police General] Chan and himself are only investigating the facts of the cases and have no duty to make arrests.

Mr Ari said his committee has received thousands of pages of documents collected by former deputy police chief Pol Gen Bunchu Wanganont.

Some of the documents were complaints by those involved in the jewellery case. The evidence is locked in a safe and is considered top secret because it is "important and dangerous."

Sources said the evidence gathered by both committees includes a picture of the wife of a police general wearing diamonds which the Saudi authorities have said were stolen from the prince.

They said the committee firmly believes that after the arrest of jewellery thief Kriangkrai Techamong, the officers in charge of the case took the jewellery to show to a superior, who pocketed some of it. None of the officers dared to object.

Some of the jewellery was later given to "someone in the leadership of a political party" by the superior officer, who was later appointed to a top Police Department post.

Sources said the ministry is considering whether to work out a deal with those who embezzled the jewellery to return it in exchange for an amnesty or a reduced penalty.

Sources said that last week, former Central Investigation Bureau deputy commissioner Pol Lt Gen [Police Lieutenant General] Chalor Koedthet, who has been charged with embezzling the jewellery, went to see Saudi Arabian Charge d'Affairs Mohammad Khujah.

On Friday, Pol Gen [Police General] Bunchu went to see Mr Ari at 7:30 a.m. but he was not in yet.

When Pol Gen Bunchu returned at 9 a.m., he found Police chief Gen Sawat Amonwiwat in Mr Ari's room and quickly left.

He returned again at 11 a.m. and finally met with Mr Ari.

#### **Interior Minister Moves To End Labor Dispute**

*BK1707140093 Bangkok Radio Thailand Network in Thai 1200 GMT 17 Jul 93*

[Excerpts] Interior Minister General Chawalit Yongchaiyut signed a ministerial announcement this afternoon in connection with the layoffs, picketing, and strikes caused by the replacement of old machinery with new technology. The replacement of old machinery resulted in a labor dispute in which compromise could not be reached, and which led to confrontation between workers and employers. [passage omitted]

The Interior Ministry asks the following of the employers and workers. Layoffs, picketing, and strikes are to be discontinued and all sides are to return to conditions as they were before the layoffs, picketing, and strikes. All sides are to negotiate to end the confrontation. In the long term, both sides are to appoint representatives to

join government representatives in a tripartite committee. This committee will recommend to the government preventive measures and solutions to be followed by both sides. Employers are asked not to take punitive action against the striking workers. Workers are asked to be aware of their responsibilities to their jobs, work discipline, and the law by reporting back to work. The Interior Ministry hopes that both sides will cooperate and that it does not have to resort to legal measures.

Meanwhile, the Public Relations Department correspondent observing the strike reported that at about 1800 [1100 GMT] today most strikers embarked on buses to return to their factory. Only about 100 workers remained at the site of the strike.

#### **Blockade Ends as Minister Agrees to Workers' Demands**

*BK1807020493 Bangkok BANGKOK POST in English 18 Jul 93 p 1*

[Text] LAID-OFF factory workers called off their blockade of Government House and dissolved their protest yesterday afternoon after Interior Minister Chawalit Yongchaiyut agreed to all their demands and promised to use his power to force their factories to re-employ them.

Worker representatives negotiated with Gen [General] Chawalit at length before emerging to tell their colleagues that the minister had agreed to their four demands:

The closed-down factories must be reopened  
Laid-off workers must be taken back;  
Those to be laid-off will not lose their jobs after all, and  
The protesters will not be prosecuted or penalised by their employers.

Gen Chawalit promised to persuade the seven factories involved to accept these conditions and to take back the workers.

If they do not, Gen Chawalit will invoke article 35 of the Labour Relations Act which empowers him to order factories to reopen, take back workers and resume operations.

The seven factories are Thai American Textile (Rangsit), Bangkok Die Casting (Bang Phli), Thai Cotton Mill (Bangkok), Thai Durable Textile (Phra Pradaeng), Thai Melon Textile (Rangsit), Best Pack (Bang Na) and Thai Maruni (Samut Sakhon).

The protesting workers, comprising textile employees and others that joined their protest and blockaded Phitsanulok Road in front of Government House numbered about 10,000 on Friday night.

About 2,000 were present when they were told at 2.30 p.m. of the agreement with the minister.

They slowly dispersed. By 5 p.m., all had been taken by bus to the factories they came from.

Gen Chawalit had appealed to the strikers and employers to resolve their dispute through negotiations, warning he could use his special powers.

His appeal was contained in a ministerial announcement issued following the lengthy meeting with protest leaders.

Gen Chawalit was accompanied by his two deputies, Suthat Ngoenmuen and Chaowat Sutlapha, Interior Permanent Secretary Anant Anantakun, Police director-general Sawat Amonwiwat and Prasong Rananan, director-general of Labour Protection and Welfare Department.

In the announcement, Gen Chawalit urged the protesters to lift their illegal siege of factories and to return to work.

He asked management to drop lay-off plans and to reinstate the dismissed workers and not to take legal action against employees who protested.

"The Interior hopes that the two sides will be cooperative without the need (for the ministry) to resort to legal measures," the announcement concluded.

This followed two rounds of meetings at Government House yesterday between Gen Chawalit and leaders of the protesters.

Informed sources said Gen Chawalit took about an hour to persuade the workers' leaders to accept his appeal to lift the blockade, particularly at the Thai Durable Textile Company in Samut Prakan, and to return to work as normal. During the meeting, Gen Chawalit reportedly told workers' leaders that the Government had been closely monitoring the labour situation and had successfully defused labour disputes at 45 factories.

He said the problem of retrenchment would be discussed at the next Cabinet meeting.

The minister was quoted as having said some companies might reject his appeal.

But he warned that if this occurred he would have to invoke his powers to force such a company to re-employ the workers.

Ms Aruni Srito, a workers' leader who was also laid-off by Thai Durable Textile (TDT), said she was satisfied with the ministry's announcement "to a certain extent".

She said problems at TDT would be resolved only temporarily.

However, she warned that the problem would flare up if the management insisted on its previous demand that laid-off workers be ousted by August. TDT's legal adviser, Kwanchai Chaisitwiraphan, said the factory would reopen today, but workers who were laid off on July 1 would definitely be dismissed by August 15.

### Firm Asks Diplomats for Help in Satellite Dispute

BK2007031893 Bangkok BANGKOK POST in English  
20 Jul 93 p 15

[Text] THE dispute between Thailand and Hong Kong over the orbital positions of their satellites—Thaicom 1 and AsiaSat 2—is no closer to a solution.

Thailand is now seeking to solve the problem through diplomatic channels but AsiaSat officials counter that it is not a diplomatic issue.

Representatives from both countries are scheduled to meet in two weeks in Bangkok, but the firm stances raise fears that talks will be deadlocked again. Officials from the Post & Telegraph Department, which handles frequency management, AsiaSat and Chinnawat Group, owner of Thaicom 1, will take part in the meeting.

Thaicom 1 is scheduled to be positioned on 101 degrees east longitude when it is launched in December. AsiaSat 2, scheduled for launch a year later, has staked out 100.5E. Thailand has reiterated that it has first claim on the orbital position, saying that it is above Thai territory.

Chinnawat—claiming that four previous meetings had accomplished little—asked the Foreign Ministry to request British diplomatic help in the dispute with Asia Satellite Telecommunications Co Ltd (AsiaSat).

Smith Thammasarot, director-general of the Post & Telegraph Department, made Thailand's stance clear. "It is the right of Thailand to get priority for the position over other countries as the position is geographically right above Thai territory," he said.

He also said that no matter what happens, Thailand would launch the satellite as scheduled in December to that position.

Asked about an expected protest by AsiaSat, Mr Smith said that it could appeal to the International Telecommunications Union (ITU) but the ITU cannot reposition or bring down a satellite after it's been launched.

However, the ITU could require both parties to modify their transponders to avoid interference.

Mr Smith also said that an AsiaSat protest "will be tantamount to bullying Thailand."

AsiaSat 1 is already in orbit with a "footprint," or signal coverage area, covering Thailand.

Mr Smith said that Thaicom 1 was designed for its position and has already made its footprint known to world regulatory bodies.

But an AsiaSat spokesman said yesterday that the Hong Kong company has no plan to move. "AsiaSat has the

regulatory priority established with the IFRB (International Frequency Registration Board, now called the Radiocommunications Bureau) for the 100.5E location."

AsiaSat 2 will be fully coordinated under Radiocommunications Bureau procedures, the spokesman said, meaning that its customers will be protected from interference.

The spokesman said that Thailand did not have priority for 101E. "If they go ahead and launch, their customers will not be protected from harmful interference."

The spokesman also said that even without AsiaSat 2, the 101E location could be subject to interference from a Russian satellite just two degrees away at 103E.

The Radiocommunications Bureau has two other sets of applications that potentially put Thai and Hong Kong satellites close together: AsiaSat 77.5E, Thaicom 78.5E, AsiaSat 122E, Thaicom 120E.

AsiaSat has offered to give up both of its proposed positions where the risk of interference is low, in order to accommodate Thaicom 1 and Thaicom 2. "We are still hopeful that Thaicom will accept our proposal," the spokesman said.

### Vietnam

**Commentary Views Relations With United States**  
*BK2007130093 Hanoi Voice of Vietnam in English*  
*1000 GMT 20 Jul 93*

[Station commentary]

[Text] Many United States companies are now promoting trade relations with Vietnam. Meanwhile, the American media and public opinions continue to urge U.S. President Bill Clinton to normalize relations with Vietnam. Here is our radio editor's opinion:

Since the end of last year, 160 U.S. companies and businessmen have obtained permit of the U.S. department of finance to open representative offices and sign contracts with Vietnam, including such large companies as Citibank, General Electric, and Phillip Morris.

Noteworthy is that only this month, giant computer corporation IBM received a license to open representative office in Hanoi after 20 years of suspension. Mr. (G. William Howell), IBM representative office in Hanoi, said it intended to open another office in Ho Chi Minh City.

Meanwhile in America's political circles, the faction against the normalization of relations with Vietnam has become isolated. Senator John Kerry, democrat, whose 18-month term of office as president of the Senate Select Committee on MIA/POW has just terminated, affirmed that Vietnam has worked closely with the U.S. in settling the MIA issue. There is no reason to oppose Vietnam.

Recently, a bipartite committee led by former Secretary of State Edmund Muskie has argued strongly for Washington to lift the sanction and establish full diplomatic relations with Vietnam.

American businessmen are particularly main supporters for the normalization of relations between Vietnam and the U.S.. The American businessmen in recent months have lost much chance to do business in Vietnam due to the U.S. sanction. It is calculated that millions of dollars in profit are being lost from the hands of the American businessmen because U.S. companies cannot do business in Vietnam. And that why their great aspiration now is that President Clinton to put an end the trade embargo and normalize relations with Vietnam.

**Deputy Foreign Minister Visits Egypt 14-16 Jul**  
*BK1707155393 Hanoi VNA in English 1512 GMT*  
*17 Jul 93*

[Text] Hanoi VNA July 17—Deputy Foreign Minister Nguyen Di Nien paid an official visit to Egypt from July 14-16.

While there, Mr. Nien held talks with I.H. Mahkluf assistant to the foreign minister, on measures to promote the cooperation between the two countries in political, economic and cultural fields.

Deputy Foreign Minister Nguyen Di Nien was received by Dr. Y.A. Wali, general secretary of the National Democratic Party, deputy prime minister and minister of agriculture.

During the reception, Dr. Wali spoke highly about the achievements obtained by the Vietnamese people, and expressed his wish to have relations with the Communist Party of Vietnam with a view to promoting the friendship, cooperation and mutual assistance between the two peoples.

For his part, Mr Nien conveyed party General Secretary Do Muoi's greetings to chairman of the National Democratic Party and President of Egypt M.H. Mubarak. He also conveyed the Vietnamese party leader's invitation to General Secretary Y.A. Wali for an official visit to Vietnam. Mr. Wali expressed his thanks for the invitation, and said that it would be a priority in his external relations activities.

**Meets 'Arafat, Tunisian Official 16 Jul**  
*BK1907143193 Hanoi VNA in English 1421 GMT*  
*19 Jul 93*

[Text] Hanoi VNA July 19—On his way to Libya, Deputy Foreign Minister Nguyen Dy Nien stopped over at Tunis on July 16 to call on president of Palestine Yasir 'Arafat. He conveyed General Secretary Do Muoi's and President Le Duc Anh's greetings to president Y. 'Arafat and informed him of the current situation in Vietnam and the region. Nguyen Di Nien reiterated Vietnam's firm support for the just cause of the Arab people,

especially the struggle of the Palestinian people under the leadership of the PLO aimed at establishing a Palestinian government.

President Y. 'Arafat expressed his joy at the ever stronger relations between Palestine and Vietnam and his wish for the development of economic cooperation between the two states.

On the same day, in Tunis State Minister Fayala cordially received Deputy Minister Nguyen Dy Nien. The two sides informed each other of the current situation in their countries and in their respective regions. They expressed wishes for further consolidation and promotion of bilateral relations firstly in the field of commerce.

#### EC Communique Announces Cooperation, Trade Agreement

*BK1607140493 Hanoi Voice of Vietnam in English 1000 GMT 15 Jul 93*

[Text] The European Community has negotiated the cooperation and trade agreement with Vietnam. A communique issued by the European Community on July 14 said the course on the overall cooperation and trade agreement will be the final step helping Vietnam resume normal relations with the EC.

#### Phan Van Khai Receives Indian Economic Delegation

*BK1607135893 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 14 Jul 93*

[Text] Deputy Prime Minister Phan Van Khai received Mr. Satish Sharma, Indian minister of state with independent charge for petroleum and natural gas and head of the Indian Government economic delegation currently on a visit to our country, on 13 July in Hanoi.

At the reception, Mr. Satish Sharma expressed India's desire to step up cooperation and joint ventures with Vietnam, especially in the field of natural gas, as well as to foster cooperation in other fields.

Deputy Prime Minister Phan Van Khai welcomed the visit to Vietnam by the Indian economic delegation and expressed willingness to promote cooperation between the two countries.

#### Tourism Delegation Returns From PRC Visit

*BK1807151193 Hanoi VNA in English 1428 GMT 18 Jul 93*

[Text] Hanoi VNA July 18—A delegation of the Vietnam Tourism Corporation led by Director General Do Quang Trung yesterday concluded a week-long working visit to China as guest of Liu Yi, director general of the China Travel and Tourism Administrative Bureau.

While there, host and guest exchanged views on the development of tourism in each country and drew up a

draft agreement on tourist cooperation between the two countries. The Vietnamese delegation was received by Deputy Prime Minister and Foreign Minister Qian Qichen. At the reception, Mr. Qian expressed his pleasure at the development of the friendly and cooperative relations between the two countries, and he said he hoped that an agreement on tourism would soon be signed between the two countries to help promote their economic, trade and cultural ties.

Besides Beijing, the Vietnamese delegation toured Guangdong, Shenzhen and some tourist attractions in China.

#### Vo Van Kiet Receives Australian Businessmen

*BK1907142593 Hanoi VNA in English 1421 GMT 19 Jul 93*

[Text] Hanoi VNA July 19—Prime Minister Vo Van Kiet received here on July 17 Mr. R.N. Bunyon, general director of Pacific Power International (PPI) of Australia in connection with the on-going construction of the 500-kv trans-Viet power line.

Present at the reception were Minister of Energy Thai Phung Ne, Minister of Science, Technology and Environment Dang Huu and Australian Ambassador Michael John Potts.

Mr. R.M. Bunyon briefed Prime Minister Vo Van Kiet about the two Australian companies PPI and Secvi's participation in the 500-kv power line project. They also outlined their companies' proposed plan of helping Vietnam in the survey of its thermal and hydro-electric power plants and in the upgrading of the Uong Bi and Pha Lai thermo-electric power plants. He also outlined PPI's proposed investment in the construction of a thermo-electric plant in Quang Ninh Province and plan to help Vietnam in personnel training. Under the agreement between Prime Minister Vo Van Kiet and PPI leaders, PPI is considering a personnel training programme in Australia to meet the need of operating the 500kv power line project.

Prime Minister Vo Van Kiet thanked the Australian companies for their effective cooperation and asked the PPI general director and the Australian ambassador to inform the Australian prime minister of Vietnam's wish to receive more cooperation and assistance from Australia in the survey and exploitation of the coal resource as well as in water supply and drainage in urban areas of Vietnam.

#### Agencies Take Action Against Corrupt Officials

*BK1907083193 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 18 Jul 93*

[Text] During the first sixth months of this year, the agencies taking part in the struggle against smuggling actively consolidated their forces to deal with many infractions involving assistance for smugglers.

The customs forces dismissed 210 people from service, including 10 public security service directors and deputy directors, and took disciplinary action against many cadres for taking bribes from or lending assistance to smugglers and illegal businessmen. Typical of these are Ho Chi Minh City and Vinh Long, Cao Bang, and Lang Son Provinces.

The market management forces prosecuted two members of the joint inspection unit in Danang and a market-management team leader in Nghe Tinh Province on charges of receiving bribes from smugglers and embezzling public property and funds.

The tax sector also took different degrees of disciplinary action against more than 200 of its personnel.

#### Conference Reviews Problem of Hunger, Poverty

*BK1707135093 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 16 Jul 93*

[Text] The Ministry of Labor, War Invalids, and Social Welfare held a national conference on 16 July to review the program to eliminate hunger and reduce poverty.

According to reports, about 5-7 percent of households in the countryside still suffer from hunger, and 28-34 percent of households live below the poverty line. In urban areas the percentages are 2.29 and 4.28, respectively.

Fifty-three provinces and cities across the country have carried out programs to eliminate hunger and reduce poverty. Ho Chi Minh City, for instance, based its program on the results of research into the root causes, and on the resources and support of the community. Generally speaking, the outcome of the programs across the country is not yet satisfactory. The common national aim—to be achieved by the year 2000—is to eliminate hunger and raise all households above the poverty line.

The measures were discussed in accordance with resources, policies, and organizational structure. The conference participants will submit a plan for a future program to the government along with the draft of a decree to give direction for this program.

## Australia

**Minister To Attend Proposed APEC Seattle Meeting**

*BK2007074893 Melbourne Radio Australia in English 0500 GMT 20 Jul 93*

[Text] Australia said it will attend the proposed meeting of Asia-Pacific economic ministers. The Clinton administration is to ask finance ministers from the 15-member Asia Pacific economic group, APEC, to a meeting in the United States before the end of the year. Mark Tamhane reports that the planned meeting will look at financial and economic issues in the region.

[Begin Tamhane recording] A spokesman for Australia's Chief Economic Minister Treasurer John Dawkins says either Mr. Dawkins or Finance Minister Ralph Willis will attend the proposed meeting. Mr. Dawkins has been arguing for some time the region's economic ministers should be involved in APEC annual ministerial meeting, which is presently limited to foreign affairs and trade ministers. In the past, he's raised the idea with U.S. Treasury Secretary Lloyd Bentsen and his predecessor Nicholas Brady. The spokesman says Japan's former finance minister, Mr. Hata, has also indicated support for the idea. But reports from Washington say the proposed finance ministers' meeting is expected to be held separately from the ministerial meeting, scheduled for November in Seattle. It is also unclear whether the United States is proposing an annual or one-off meeting. [end recording]

**Evans Demands Release of Burmese Political Prisoners**

*BK2007073093 Melbourne Radio Australia in English 0500 GMT 20 Jul 93*

[Text] Foreign Affairs Minister Gareth Evans has renewed Australia's demand for the immediate and unconditional release of all political prisoners in Burma. Linda Mottram reports the call marks the fourth anniversary of the house arrest of Burma's Opposition Leader and Nobel Prize Winner Aung San Suu Kyi.

[Begin Recording] [Mottram] In a statement, Senator Evans notes that Burma's ruling State Law and Order Restoration Council, the SLORC, has taken limited step towards political reform in the past year. But the minister says there is still no clear sign the SLORC is any closer to transferring power to the civil administration.

Burmese military rulers ignored a strong pro-democracy victory in election in 1990 held with Aung San Suu Kyi and others already under detention. A report last year by the UN special rapporteur on human rights highlighted the seriousness of Burma's human rights situation, while eight Nobel laureates protested in Bangkok earlier this year against Aung San Suu Kyi's continued imprisonment. [end recording]

**Minister Devising Plan To Improve UN PKO's**  
*BK1807081493 Hong Kong AFP in English 0701 GMT 18 Jul 93*

[Text] CANBERRA, July 18 (AFP)—Australia's Foreign Minister Gareth Evans, architect of the Cambodian peace process, has begun drafting guidelines to improve the United Nations' involvement in world peace-keeping, sources said here Sunday.

The "Blue Book", as it has been dubbed after the Red Book prepared for Cambodia, will cover everything from how and when the U.N. should intervene to the amount of force that should be used. It will deal with peace-making in the post Cold War era, with proposals for stopping conflict between nations before as well as after it starts, and ways of resolving differences after wars.

Evans has reportedly asked senior officials for an analytical report to try to prevent the sort of ad-hoc peace-keeping decisions for which the United Nations has been so strenuously criticised in Bosnia-Hercegovina and Somalia.

"Is it necessarily an ad-hoc business, or can we give it more credible guidelines?" Evans asked in an interview published Sunday.

He said his report would deal with "preventive diplomacy, peace-keeping, peace enforcement, when, where and how you should intervene, what scale and what kind of resources" should be used.

The Canberra sources said Evans wants to present the 50,000-word Blue Book to the next U.N. General Assembly meeting in New York this September.

He has already held several meetings with department staff working on the document and will meet them again this week to review its progress.

The Red Book formed the basis of the U.N. peace plan which led to Cambodians enthusiastically embracing democracy two months ago. He was nominated for a Nobel Peace Prize for his role in pushing the plan.

Evans' latest activity has led to speculation among some Foreign Affairs staff that it is a move towards a post-political life for the veteran Labor minister. He is rumoured to be interested in the U.N. secretary general's job.

The book will include sections on cooperation between the U.N. and other regional bodies like the Conference on Security and Co-operation in Europe, Asia's planned security forum, and the Organisation of American States.

The United Nations is facing world-wide criticism over its peacemaking operations in Somalia, and its inability to do much for Bosnia but issue an endless stream of resolutions which are ignored by the warring factions.

U.N. Secretary-General Butrus Butrus-Ghali and other U.N. officials have admitted the world peace-keeping body has to take a hard look at the way it does business.

It is said to be riddled with inefficiency, and staffed by thousands of "jobs-for-life" bureaucrats in New York, Washington, Rome, Paris, Vienna, Geneva and other cities.

Australian defence chiefs have been highly critical of its peacekeeping organisation, saying it had no proper command structure, was unable to quickly respond to events, and limited the actions of its troops on the ground.

Its bureaucratic structure has also been blamed for needless delays - some requests for simple equipment from the peacekeepers take months to be approved by New York.

Evans will lead a high-level Australian delegation which will include Defence Minister Robert Ray in talks with a U.S. delegation headed by secretary of State Warren Christopher at the annual Australia-U.S. ministerial talks in the Australian resort city of Cairns on July 29.

#### New Survey Discovers 'Life' in Jul Economy

*BK1807080693 Hong Kong AFP in English 0658 GMT  
18 Jul 93*

[Text] SYDNEY, July 18 (AFP)—A leading economic indicator here has discovered life in the Australian economy for the month of July after six months in which it registered virtually none.

The National Institute of Economic and Industry Research's leading indicator NATSTAT jumped above 120 for the first time in more than a year to 123.9 points compared with 116.2 in June and 118.7 in May. The indicator compresses into a single measure economic statistics including share prices, interest rates, net business telephone demand, dwelling approvals, housing finance approvals and surveys of business expectations.

The institute said the rise, which was due to a sharp turnaround in net business telephone demand coupled with further improvements in dwelling sector indicators and in share prices, more than offset subdued business expectations.

"The one month increase in the NATSTAT leading index displays some promise for economic growth in the coming months," the institute said.

However, it was insufficient to give rise to any strong expectations for reducing unemployment, currently standing at 11.1 percent.

Even in Victoria, the state worst hit by recession, a sharp recovery in net business telephone demand and continued improvement in the surveyed business trading outlook offset falls in new dwelling approvals and housing finance approvals.

"The upward movement of the composite index suggests economic conditions may improve in the coming months. However, declines in the dwelling sector are of some concern," the institute said.

#### Papua New Guinea

##### Prime Minister on Bougainville Island Rebels

*BK2007093293 Melbourne Radio Australia in English  
0800 GMT 20 Jul 93*

[Text] Papua New Guinea's [PNG] prime minister, Paias Wingti, has briefed his fellow Melanesian leaders about the secessionist rebellion on the island of Bougainville. The briefing came at the meeting of the so-called Melanesian Spearhead Group in Rabaul. Port Moresby Correspondent Sean Dorney reports that Mr. Wingti is confident his government has gained upper hand over the Bougainville Revolutionary Army and that cross-border raids by PNG troops have been stopped. PNG maintained Bougainville is an internal affair.

#### Opposition Leader Dies From Malaria Complications

*BK1907023293 Hong Kong AFP in English 0150 GMT  
19 Jul 93*

[Text] BRISBANE, Australia, July 19 (AFP)—Papua New Guinea's opposition leader Jack Genia died in hospital here late Sunday from complications associated with a severe malaria attack, a hospital spokeswoman confirmed Monday. Genia died in the Princess Alexandra hospital from complications associated with the malaria attack suffered in Port Morseby, but no further details were available.

Genia, who took over as opposition leader from Sir Michael Somare in March, was evacuated to Brisbane on Saturday after developing complications from malaria.

